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April 21, 1960.

Miss Annaliese Munetic, Reference Librarian
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Dear Miss Munetic:

We are today returning by parcel post, prepaid postage, and insured, the volume on Agreements of the Motion Picture Patents Company, which you so kindly loaned to us. As we wrote you in our letter of March 10th, 1960, we had a positive film made at the same time we had the negative made for our library, and we are sending this positive film to you for your library, in the same package with the volume on Agreements.

Enclosed herewith are postage stamps in the amount of \$.59 cents to cover the mailing costs you incurred in sending this volume to us.

We appreciate very much being able to keep this material long enough to have it filmed, and again thank you.

Very sincerely yours,

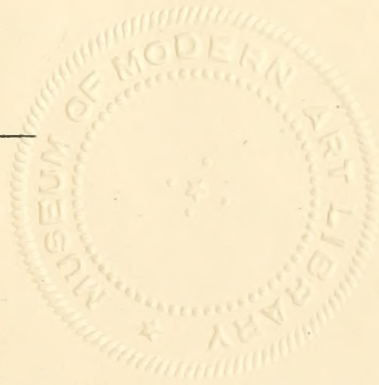
Helen M. Carey
(Mrs.) Helen M. Carey

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TABLE OF CONTENTS.

- (1) Alphabetical Index to Agreements by Parties....pages III-X
- (2) Agreements in Chronological Order.....pages 3-664
- (3) Appendixpages 655-664
- (4) Chronological Index of Agreements.....pages 665-720
- (5) General Subject Matter Index of Agreements....pages 721-723

AGREEMENTS

Alphabetical Index by Parties

No.	Page	Parties	Date
54	315	American Moving Picture Machine Co.	Motion Picture Patents Co. 13 Feb. 1909
2	8	American Mutoscope & Biograph Co. of New Jersey	Armat Moving Picture Co. 19 Feb. 1904
10	36	American Mutoscope & Biograph Co. of New Jersey	Henry S. Williams, N. Howland Brown, Morris Earle, Co-partners trading as Williams, Brown & Earle Kleine Optical Company Charles E. Dressler & Co. (a corporation) 18 Feb. 1908
11	41	American Mutoscope & Biograph Co.	Armat Moving Picture Co. 21 Mar. 1908
17	88	American Mutoscope & Biograph Co.	Motion Picture Patents Co. 18 Dec. 1908
20	105	American Mutoscope & Biograph Co.	Motion Picture Patents Co. 18 Dec. 1908
31	248	American Mutoscope & Biograph Co.	Motion Picture Patents Co. 30 Dec. 1908
45	291	American Mutoscope & Biograph Co.	Motion Picture Patents Co. 26 Jan. 1909
59	344	American Mutoscope & Biograph Co.	Motion Picture Patents Co. 20 April 1909
1	3	American Mutoscope Co.	Marvin, Casler, et al. 12 Mar. 1898
2	8	Armat Moving Picture Co.	American Mutoscope & Biograph Co. of New Jersey 19 Feb. 1904
11	41	Armat Moving Picture Co.	American Mutoscope & Biograph Co. 21 Mar. 1908
16	82	Armat Moving Picture Co.	Motion Picture Patents Co. 18 Dec. 1908
30	246	Armat Moving Picture Co.	Motion Picture Patents Co. 31 Dec. 1908
35	279	Armat Moving Picture Co.	Motion Picture Patents Co. 7 Jan. 1909
17	88	Biograph Co.	Motion Picture Patents Co. 18 Dec. 1908
20	105	Biograph Co.	Motion Picture Patents Co. 18 Dec. 1908
31	248	Biograph Co.	Motion Picture Patents Co. 30 Dec. 1908
45	291	Biograph Co.	Motion Picture Patents Co. 26 Jan. 1909
67	443	Biograph Co.	General Film Co. 21 April 1910
78	457	Biograph Co. and Edison Mfg. Co.	Motion Picture Patents Co. 14 Feb. 1911
89	462	Biograph Co.	Motion Picture Patents Co. 6 June 1912

No.	Page	Parties	Date
106	662	Blackton, J. Stuart et al.	Motion Picture Patents Co.
10	36	Brown, N. Howland, et al. trading as Williams Brown & Earle and others	American Mutoscope & Biograph Co.
88	461	Bulletin, Exchange, No. 33	Motion Picture Patents Co.
100	624	Bulletin, Exchange, No. 36	Motion Picture Patents Co.
101	625	Bulletin, Exchange, No. 37	Motion Picture Patents Co.
15	81	Bulletin, Edison Exchanges Modification	Edison Mfg. Co.
1	3	Casler-Marvin, et al.	American Mutoscope Co.
10	36	Dressler, Charles E., & Co. (a corporation) and others	American Mutoscope & Biograph Co.
10	36	Earle, Morris, et al. trading as Williams, Brown & Earle and others	American Mutoscope & Biograph Co.
12	47	Eastman Kodak Co.	Edison Mfg. Co.
13	59	Eastman Kodak Co.	Edison Mfg. Co.
34	257	Eastman Kodak Co. and Edison Mfg. Co.	Motion Picture Patents Co.
60	345	Eastman Kodak Co.	Motion Picture Patents Co.
61	349	Eastman Kodak Co.	Motion Picture Patents Co.
	444	Eastman Kodak Co. and Edison Mfg. Co.	Motion Picture Patents Co.
77	454	Eastman Kodak Co.	Motion Picture Patents Co.
102	627	Eastman Kodak Co.	Motion Picture Patents Co.
103	628	Eastman Kodak Co.	Motion Picture Patents Co.
36	290	Edengraph Mfg. Co.	Motion Picture Patents Co.
9	31	Edison License	Exchanges
15	81	Edison Exchanges (modification)	Edison Mfg. Co.
3	12	Edison Mfg. Co.	Kalem Co., Inc.
4	27	Edison Mfg. Co.	Selig Polyscope Co.
5	27	Edison Mfg. Co.	Essanay Film Mfg. Co.
6	27	Edison Mfg. Co.	The Vitagraph Co. of America
7	27	Edison Mfg. Co.	Siegmund Lubin
8	28	Edison Mfg. Co.	Gaston Melies, of New York, for himself and as Attorney for George Melies of Paris, France
12	47	Edison Mfg. Co.	Eastman Kodak Co.
13	59	Edison Mfg. Co.	Eastman Kodak Co.
14	64	Edison Mfg. Co.	Pathe Freres (a corporation)
15	81	Edison Mfg. Co.	Edison Exchanges (modification)
18	94	Edison Mfg. Co.	Motion Picture Patents Co.
21	129	Edison Mfg. Co.	Motion Picture Patents Co.
22	152	Edison Mfg. Co. and Essanay Film Mfg. Co.	Motion Picture Patents Co.
23	179	Edison Mfg. Co. and Kalem Co., Inc.	Motion Picture Patents Co.
24	179	Edison Mfg. Co. and Lubin Mfg. Co.	Motion Picture Patents Co.

No.	Page	Parties	Date
25	179	Edison Mfg. Co. and Selig Poly-scope Co.	Motion Picture Patents Co. 18 Dec. 1908
26	179	Edison Mfg. Co. and The Vita-graph Co. of America	Motion Picture Patents Co. 18 Dec. 1908
28	209	Edison Mfg. Co. and Pathe Freres	Motion Picture Patents Co. 18 Dec. 1908
32	251	Edison Mfg. Co.	Motion Picture Patents Co. 31 Dec. 1908
34	257	Edison Mfg. Co. and Eastman Kodak Co.	Motion Picture Patents Co. 1 Jan. 1909
37	290	Edison Mfg. Co.	Motion Picture Patents Co. 7 Jan. 1909
46	296	Edison Mfg. Co.	Motion Picture Patents Co. 26 Jan. 1909
47	297	Edison Mfg. Co. and Essanay Film Mfg. Co.	Motion Picture Patents Co. 26 Jan. 1909
48	303	Edison Mfg. Co. and Kalem Co., Inc.	Motion Picture Patents Co. 26 Jan. 1909
49	303	Edison Mfg. Co. and Lubin Mfg. Co.	Motion Picture Patents Co. 26 Jan. 1909
50	303	Edison Mfg. Co. and Selig Poly-scope Co.	Motion Picture Patents Co. 26 Jan. 1909
51	303	Edison Mfg. Co. and The Vita-graph Co. of America	Motion Picture Patents Co. 26 Jan. 1909
53	309	Edison Mfg. Co. and Pathe Freres	Motion Picture Patents Co. 26 Jan. 1909
66	436	Edison Mfg. Co.	General Film Co. 21 April 1910
76	444	Edison Mfg. Co. and Eastman Kodak Co.	Motion Picture Patents Co. 14 Feb. 1911
78	457	Edison Mfg. Co. and Biograph Co.	Motion Picture Patents Co. 14 Feb. 1911
79	460	Edison Mfg. Co.	Motion Picture Patents Co. 14 Feb. 1911
80	460	Edison Mfg. Co. and Essanay Film Mfg. Co.	Motion Picture Patents Co. 14 Feb. 1911
81	460	Edison Mfg. Co. and Kalem Co., Inc.	Motion Picture Patents Co. 14 Feb. 1911
82	460	Edison Mfg. Co. and Lubin Mfg. Co.	Motion Picture Patents Co. 14 Feb. 1911
83	460	Edison Mfg. Co. and Selig Poly-scope Co.	Motion Picture Patents Co. 14 Feb. 1911
84	460	Edison Mfg. Co. and The Vita-graph Co. of America	Motion Picture Patents Co. 14 Feb. 1911
85	460	Edison Mfg. Co. and George Kleine	Motion Picture Patents Co. 14 Feb. 1911
86	460	Edison Mfg. Co. and Pathe Freres	Motion Picture Patents Co. 14 Feb. 1911
87	460	Edison Mfg. Co. and Gaston Melies	Motion Picture Patents Co. 14 Feb. 1911
90	486	Edison Mfg. Co.	Motion Picture Patents Co. 6 June 1912
91	508	Edison, Thos. A., Inc. and Essanay Film Mfg. Co.	Motion Picture Patents Co. 6 June 1912
38	290	Enterprise Optical Co.	Motion Picture Patents Co. 7 Jan. 1909
5	27	Essanay Film Mfg. Co.	Edison Mfg. Co. 31 Jan. 1908

No.	Page	Parties	Date
22	152	Essanay Film Mfg. Co. and Edison Mfg. Co.	Motion Picture Patents Co. 18 Dec. 1908
47	297	Essanay Film Mfg. Co. and Edison Mfg. Co.	Motion Picture Patents Co. 26 Jan. 1909
68	443	Essanay Film Mfg. Co.	General Film Co. 21 April 1910
80	460	Essanay Film Mfg. Co. and Edison Mfg. Co.	Motion Picture Patents Co. 14 Feb. 1911
91	508	Essanay Film Mfg. Co. and Thos. A. Edison, Inc.	Motion Picture Patents Co. 6 June 1912
88	461	Exchange Bulletin No. 33	Motion Picture Patents Co. 13 Sept. 1911
100	624	Exchange Bulletin No. 36	Motion Picture Patents Co. 27 Aug. 1912
101	625	Exchange Bulletin No. 37	Motion Picture Patents Co. 15 Oct. 1912
15	81	Exchange, Edison modification	Edison Mfg. Co. 1 Dec. 1908
29	239	Exchange, Rental Agreement	Motion Picture Patents Co. 18 Dec. 1908
9	31	Exchanges,	Edison Licensees 15 Feb. 1908
55	316	Gaumont Co. of New York	Motion Picture Patents Co. 2 Mar. 1909
56	337	Gaumont Co. of New York	Motion Picture Patents Co. 2 Mar. 1909
57	338	Gaumont Co. of New York	Motion Picture Patents Co. 2 Mar. 1909
58	341	Gaumont Co. of New York	Motion Picture Patents Co. 2 Mar. 1909
64	424	General Film Co.	Motion Picture Patents Co. April 1910
65	425	General Film Co.	Motion Picture Patents Co. 21 April 1910
66	436	General Film Co.	Edison Mfg. Co. 21 April 1910
67	443	General Film Co.	Biograph Co. 21 April 1910
68	443	General Film Co.	Essanay Film Mfg. Co. 21 April 1910
69	443	General Film Co.	Kalem Co., Inc. 21 April 1910
70	443	General Film Co.	Lubin Mfg. Co. 21 April 1910
71	443	General Film Co.	Selig Polyscope Co. 21 April 1910
72	443	General Film Co.	The Vitagraph Co. of America 21 April 1910
73	443	General Film Co.	George Kleine 21 April 1910
74	443	General Film Co.	Gaston Melies 21 April 1910
75	443	General Film Co.	Pathe Freres 21 April 1910
3	12	Kalem Co., Inc.	Edison Mfg. Co. 31 Jan. 1908
23	179	Kalem Co., Inc. and Edison Mfg. Co.	Motion Picture Patent Co. 18 Dec. 1908
48	303	Kalem Co., Inc. and Edison Mfg. Co.	Motion Picture Patents Co. 26 Jan. 1909
69	443	Kalem Co., Inc.	General Film Co. 21 April 1910
81	460	Kalem Co., Inc. & Edison Mfg. Co.	Motion Picture Patents Co. 14 Feb. 1911
92	534	Kalem Co., Inc.	Motion Picture Patents Co. 6 June 1912
27	180	Kleine, George	Motion Picture Patents Co. 18 Dec. 1908
52	304	Kleine, George	Motion Picture Patents Co. 26 Jan. 1909
73	443	Kleine, George	General Film Co. 21 April 1910
85	460	Kleine, George and Edison Mfg. Co.	Motion Picture Patents Co. 14 Feb. 1911
96	535	Kleine, George	Motion Picture Patents Co. 6 June 1912
104	629	Kleine, George	Motion Picture Patents Co. 1 Feb. 1913
10	36	Kleine Optical Co. and others	American Mutoscope & Biograph Co. 18 Feb. 1908

No.	Page	Parties		Date
9	31	Lic., Edison Exch.	Exchanges	15 Feb. 1908
15	81	Lic., Edison Exch. Modification	Edison Mfg. Co.	1 Dec. 1908
24	179	Lubin Mfg. Co. and Edison Mfg. Co.	Motion Picture Patents Co.	18 Dec. 1908
39	290	Lubin Mfg. Co.	Motion Picture Patents Co.	7 Jan. 1909
49	303	Lubin Mfg. Co. and Edison Mfg. Co.	Motion Picture Patents Co.	26 Jan. 1909
70	443	Lubin Mfg. Co.	General Film Co.	21 April 1910
82	460	Lubin Mfg. Co. and Edison Mfg. Co.	Motion Picture Patents Co.	14 Feb. 1911
93	534	Lubin Mfg. Co.	Motion Picture Patents Co.	6 June 1912
7	27	Lubin, Siegmund	Edison Mfg. Co.	31 Jan. 1908
1	3	Marvin, Casler, et al.	American Mutoscope Co.	12 Mar. 1898
8	28	Melies, Gaston, of New York, for himself and as Attorney for George Melies of Paris, France	Edison Mfg. Co.	31 Jan. 1908
62	395	Melies, Gaston	Motion Picture Patents Co.	20 July 1909
63	422	Melies, Gaston	Motion Picture Patents Co.	21 July 1909
74	443	Melies, Gaston	General Film Co.	21 April 1910
87	460	Melies, Gaston and Edison Mfg. Co.	Motion Picture Patents Co.	14 Feb. 1911
97	560	Melies, Gaston	Motion Picture Patents Co.	6 June 1912
106	662	Melies, Gaston	Motion Picture Patents Co.	26 Feb. 1913
8	28	Melies, George, by Gaston Melies his Attorney	Edison Mfg. Co.	31 Jan. 1908
16	82	Motion Picture Patents Co.	Armat Moving Picture Co.	18 Dec. 1908
17	88	Motion Picture Patents Co.	Biograph Co.	18 Dec. 1908
18	94	Motion Picture Patents Co.	Edison Mfg. Co.	18 Dec. 1908
19	101	Motion Picture Patents Co.	The Vitagraph Co. of America	18 Dec. 1908
20	105	Motion Picture Patents Co.	Biograph Co.	18 Dec. 1908
21	129	Motion Picture Patents Co.	Edison Mfg. Co.	18 Dec. 1908
22	152	Motion Picture Patents Co.	Edison Mfg. Co. and Essanay Film Mfg. Co.	18 Dec. 1908
23	179	Motion Picture Patents Co.	Edison Mfg. Co. and Kalem Co., Inc.	18 Dec. 1908
24	179	Motion Picture Patents Co.	Edison Mfg. Co. and Lubin Mfg. Co.	18 Dec. 1908
25	179	Motion Picture Patents Co.	Edison Mfg. Co. and Selig Polyscope Co.	18 Dec. 1908
26	179	Motion Picture Patents Co.	Edison Mfg. Co. and The Vitagraph Co. of America	18 Dec. 1908
27	180	Motion Picture Patents Co.	George Kleine	18 Dec. 1908
28	209	Motion Picture Patents Co.	Edison Mfg. Co. and Pathe Freres	18 Dec. 1908
29	239	Motion Picture Patents Co.	Rental Exchange Agreement	18 Dec. 1908
30	246	Motion Picture Patents Co.	Armat Moving Picture Co.	31 Dec. 1908
31	248	Motion Picture Patents Co.	Biograph Co.	30 Dec. 1908
32	251	Motion Picture Patents Co.	Edison Mfg. Co.	31 Dec. 1908
33	254	Motion Picture Patents Co.	The Vitagraph Co. of America	30 Dec. 1908

No.	Page	Parties		Date
34	257	Motion Picture Patents Co.	Edison Mfg. Co. and Eastman Kodak Co.	1 Jan. 1909
35	279	Motion Picture Patents Co.	Armat Moving Picture Co.	7 Jan. 1909
36	290	Motion Picture Patents Co.	Edengraph Mfg. Co.	7 Jan. 1909
37	290	Motion Picture Patents Co.	Edison Mfg. Co.	7 Jan. 1909
38	290	Motion Picture Patents Co.	Enterprise Optical Co.	7 Jan. 1909
39	290	Motion Picture Patents Co.	Lubin Mfg. Co.	7 Jan. 1909
40	290	Motion Picture Patents Co.	Nicholas Power (a corporation)	7 Jan. 1909
41	290	Motion Picture Patents Co.	Eberhard Schneider (expired)	7 Jan. 1909
42	290	Motion Picture Patents Co.	Selig Polyscope Co.	7 Jan. 1909
43	290	Motion Picture Patents Co.	Spoor & Co.	7 Jan. 1909
44	290	Motion Picture Patents Co.	The Vitagraph Co. of America	7 Jan. 1909
45	291	Motion Picture Patents Co.	Biograph Co.	26 Jan. 1909
46	296	Motion Picture Patents Co.	Edison Mfg. Co.	26 Jan. 1909
47	297	Motion Picture Patents Co.	Edison Mfg. Co. and Essanay Film Mfg. Co.	26 Jan. 1909
48	303	Motion Picture Patents Co.	Edison Mfg. Co. and Kalem Co., Inc.	26 Jan. 1909
49	303	Motion Picture Patents Co.	Edison Mfg. Co. and Lubin Mfg. Co.	26 Jan. 1909
50	303	Motion Picture Patents Co.	Edison Mfg. Co. and Selig Polyscope Co.	26 Jan. 1909
51	303	Motion Picture Patents Co.	Edison Mfg. Co. and The Vitagraph Co. of America	26 Jan. 1909
52	304	Motion Picture Patents Co.	George Kleine	26 Jan. 1909
53	309	Motion Picture Patents Co.	Edison Mfg. Co. and Pathe Freres	26 Jan. 1909
105	656	Motion Picture Patents Co.	Eberhart Schneider (expired)	3 Feb. 1909
54	315	Motion Picture Patents Co.	American Moving Picture Machine Co.	13 Feb. 1909
55	316	Motion Picture Patents Co.	Gaumont Co. of New York	2 Mar. 1909
56	337	Motion Picture Patents Co.	Gaumont Co. of New York	2 Mar. 1909
57	338	Motion Picture Patents Co.	Gaumont Co. of New York	2 Mar. 1909
58	341	Motion Picture Patents Co.	Gaumont Co. of New York	2 Mar. 1909
59	344	Motion Picture Patents Co.	American Mutoscope & Biograph Co.	20 Apr. 1909
60	345	Motion Picture Patents Co.	Eastman Kodak Co.	15 June 1909
61	349	Motion Picture Patents Co.	Eastman Kodak Co.	15 June 1909
62	395	Motion Picture Patents Co.	Gaston Melies	20 July 1909
63	422	Motion Picture Patents Co.	Gaston Melies	21 July 1909
64	424	Motion Picture Patents Co.	General Film Co.	April 1910
65	425	Motion Picture Patents Co.	General Film Co.	21 Apr. 1910
76	444	Motion Picture Patents Co.	Edison Mfg. Co. and Eastman Kodak Co.	14 Feb. 1911
77	454	Motion Picture Patents Co.	Eastman Kodak Co.	14 Feb. 1911
78	457	Motion Picture Patents Co.	Edison Mfg. Co. and Biograph Co.	14 Feb. 1911
79	460	Motion Picture Patents Co.	Edison Mfg. Co.	14 Feb. 1911
80	460	Motion Picture Patents Co.	Edison Mfg. Co. and Essanay Film Mfg. Co.	14 Feb. 1911

No.	Page	Parties		Date
81	460	Motion Picture Patents Co.	Edison Mfg. Co. and Kalem Co., Inc.	14 Feb. 1911
82	460	Motion Picture Patents Co.	Edison Mfg. Co. and Lubin Mfg. Co.	14 Feb. 1911
83	460	Motion Picture Patents Co.	Edison Mfg. Co. and Selig Polyscope Co.	14 Feb. 1911
84	460	Motion Picture Patents Co.	Edison Mfg. Co. and The Vitagraph Co. of America	14 Feb. 1911
85	460	Motion Picture Patents Co.	Edison Mfg. Co. and George Kleine	14 Feb. 1911
86	460	Motion Picture Patents Co.	Edison Mfg. Co. and Pathe Freres	14 Feb. 1911
87	460	Motion Picture Patents Co.	Edison Mfg. Co. and Gaston Melies	14 Feb. 1911
88	461	Motion Picture Patents Co.	Exchange Bulletin No. 33	13 Sept. 1911
89	462	Motion Picture Patents Co.	Biograph Co.	6 June 1912
90	486	Motion Picture Patents Co.	Edison Mfg. Co.	6 June 1912
91	508	Motion Picture Patents Co.	Thos. A. Edison, Inc. and Essanay Film Mfg. Co.	6 June 1912
92	534	Motion Picture Patents Co.	Kalem Co., Inc.	6 June 1912
93	534	Motion Picture Patents Co.	Lubin Mfg. Co.	6 June 1912
94	534	Motion Picture Patents Co.	Selig Polyscope Co. ^a	6 June 1912
95	534	Motion Picture Patents Co.	The Vitagraph Co. of America	6 June 1912
96	535	Motion Picture Patents Co.	George Kleine	6 June 1912
97	560	Motion Picture Patents Co.	Gaston Melies	6 June 1912
98	585	Motion Picture Patents Co.	Pathe Freres	6 June 1912
99	613	Motion Picture Patents Co.	Precision Machine Co., Inc.	20 June 1912
100	624	Motion Picture Patents Co.	Exchange Bulletin No. 36	27 Aug. 1912
101	625	Motion Picture Patents Co.	Exchange Bulletin No. 37	15 Oct. 1912
102	627	Motion Picture Patents Co.	Eastman Kodak Co.	15 Jan. 1913
103	628	Motion Picture Patents Co.	Eastman Kodak Co.	15 Jan. 1913
104	629	Motion Picture Patents Co.	George Kleine	1 Feb. 1913
106	662	Motion Picture Patents Co.	Gaston Melies	26 Feb. 1913
40	290	Nicholas Power (a corporation)	Motion Picture Patents Co.	7 Jan. 1909
14	64	Pathe Freres (a corporation)	Edison Mfg. Co.	20 May 1908
28	209	Pathe Freres, and Edison Mfg. Co.	Motion Picture Patents Co.	18 Dec. 1908
53	309	Pathe Freres and Edison Mfg. Co.	Motion Picture Patents Co.	26 Jan. 1909
75	443	Pathe Freres	General Film Co.	21 April 1910
86	460	Pathe Freres and Edison Mfg. Co.	Motion Picture Patents Co.	14 Feb. 1911
98	585	Pathe Freres	Motion Picture Patents Co.	6 June 1912
40	290	Power, Nicholas (a corporation)	Motion Picture Patents Co.	7 Jan. 1909
99	613	Precision Machine Co., Inc.	Motion Picture Patents Co.	20 June 1912
29	239	Rental Exchange Agreement	Motion Picture Patents Co.	18 Dec. 1908

No.	Page	Parties		Date
41	290	Schneider, Eberhard (expired)	Motion Picture Patents Co.	7 Jan. 1909
105	656	Schneider, Eberhard (expired)	Motion Picture Patents Co.	3 Feb. 1909
4	27	Selig Polyscope Co.	Edison Mfg. Co.	31 Jan. 1908
25	179	Selig Polyscope Co. and Edison Mfg. Co.	Motion Picture Patents Co.	18 Dec. 1908
42	290	Selig Polyscope Co. and Edison Mfg. Co.	Motion Picture Patents Co.	7 Jan. 1909
50	303	Selig Polyscope Co.	Motion Picture Patents Co.	26 Jan. 1909
71	443	Selig Polyscope Co.	General Film Co.	21 April 1910
83	460	Selig Polyscope Co. and Edison Mfg. Co.	Motion Picture Patents Co.	14 Feb. 1911
94	534	Selig Polyscope Co.	Motion Picture Patents Co.	6 June 1912
106	662	Smith, Albert E., et al.	Motion Picture Patents Co.	26 Feb. 1913
43	290	Spoor & Co.	Motion Picture Patents Co.	7 Jan. 1909
6	27	Vitagraph (The) Company of America	Edison Mfg. Co.	31 Jan. 1908
19	101	Vitagraph (The) Company of America	Motion Picture Patents Co.	18 Dec. 1908
26	179	Vitagraph (The) Company of America and Edison Mfg. Co.	Motion Picture Patents Co.	18 Dec. 1908
33	254	Vitagraph (The) Company of America	Motion Picture Patents Co.	30 Dec. 1908
44	290	Vitagraph (The) Company of America	Motion Picture Patents Co.	7 Jan. 1909
51	303	Vitagraph (The) Company of America and Edison Mfg. Co.	Motion Picture Patents Co.	26 Jan. 1909
72	443	Vitagraph (The) Company of America	General Film Co.	21 April 1910
84	460	Vitagraph (The) Company of America and Edison Mfg. Co.	Motion Picture Patents Co.	14 Feb. 1911
95	534	Vitagraph (The) Co. of America	Motion Picture Patents Co.	6 June 1912
10	36	Williams, Henry S., et al trading as Williams, Brown & Earle and others	American Mutoscope & Biograph Co.	18 Feb. 1908
10	36	Williams, Brown & Earle and others	American Mutoscope & Biograph Co.	18 Feb. 1908

**Agreements in
Chronological Order**

1.

MEMORANDUM OF AGREEMENT, made and entered into this 12th day of March, 1898, BETWEEN

American Mutoscope Company, a corporation organized under the Laws of the State of New Jersey, party of the first part, and Herman Casler, Harry N. Marvin, Elias B. Koopman and W. K. L. Dickson, all of the State of New York, parties of the second part;

WHEREAS, the party of the first part is the owner of letters patent, and applications for letters patent, for the United States of America and Canada, and the inventions covered thereby, relating to and covering "Mutoscopes" and mutoscopic appliances, and improvements thereon, and

WHEREAS, the parties of the second part, and their assigns are the owners of the letters patent, applications for letters patent, and the inventions covered thereby for various foreign countries, covering the same inventions and improvements thereon, and

WHEREAS, the parties of the second part are under contract with the party of the first part to assign to said party of the first part, any improvements which they or either of them may make in said Mutoscopes or mutoscopic appliances, so far as such improvements relate to the United States of America and Canada, and

WHEREAS, it is desired that an arrangement be entered into between the party of the first part and the parties of the second part, under which the parties of the second part shall have, subject to certain conditions, the right to manufacture in the United States and Canada, Mustoscopes and mustoscopic appliances hereinabove referred to, but only for use in, and shipment to, countries other than the United States of America and Canada, and

WHEREAS, the Board of Directors of the party of the first part, in meeting assembled did by resolution duly passed by two-thirds of the members of said Board, approve of a resolution made by the Executive Committee, a copy of which is hereto annexed and made a part hereof, recommending the granting of such right, and did direct the officers of this company to enter into and execute an agreement covering the matters in said resolutions referred to, and

WHEREAS, this agreement is made for that purpose,

NOW, THEREFORE, THIS AGREEMENT WITNESSETH, that for and in consideration of the sum of One Dollar by each of the parties in hand paid to the other, the receipt whereof is hereby

acknowledged, and in further consideration of the mutual covenants and conditions herein contained, the parties hereto hereby agree as follows:

FIRST: The party of the first part agrees to, and does hereby give and grant unto the parties of the second part and their assigns, subject to the conditions hereinafter contained, the right to manufacture or cause to be manufactured in the United States of America or Canada, but only for use in, and shipment to, countries other than the United States of America and Canada, Mutoscopes and mutoscopic appliances covered by letters patent, applications for letters patent, or improvements thereon, for the United States of America and Canada, hereinabove in the recitals referred to, owned by the party of the first part, or in which they have a right or interest. It being the intention that this right shall apply to all inventions or rights thereunder relating to Mutoscopes or mutoscopic appliances, the American and Canadian rights in or under which are now, or which may hereafter be owned by the party of the first part, and the rights to which inventions for foreign countries are now or may hereafter be owned by the parties of the second part or their assigns.

IT BEING UNDERSTOOD AND AGREED, however, that this right is given subject to the condition that the party of the first part shall have in all instances the first right or option to manufacture such goods for the parties of the second part, charging them therefor the cost price thereof, and in addition thereto, as a royalty, fifteen (15) per cent. of the cost price of all such goods so manufactured, but in the event that the party of the first part shall not elect so to manufacture such goods for the parties of the second part or their assigns, or shall fail with reasonable promptitude to fill their orders for such goods, then, and in that event only, the said parties of the second part shall have the right to have such goods manufactured for them by others, but they shall not exercise such right until thirty (30) days after written notice to said party of the first part to manufacture goods for the purposes named, and default made thereon, and in the event that the party of the first part shall so default, and said parties of the second part shall have such goods manufactured by others, they shall pay to the party of the first part, a royalty of fifteen (15%) per cent. on the cost price of such articles so manufactured, and

PROVIDED FURTHER, that the goods so manufactured, whether by the party of the first part or others, shall bear such stamp or trade mark, as the party of the first part may deem necessary to properly protect the party of the first part against the use of said articles in the United States or Canada, and

PROVIDED, FURTHER, that the marks so placed thereon, shall be kept and maintained thereon, by the parties of the second part, and

PROVIDED FURTHER, that the parties of the second part shall render to the parties of the first part, regular statements, showing what contracts have been made by them in respect to the manufacturing of articles herein referred to, the number of articles manufactured hereinunder, the actual cost price thereof, and

PROVIDED FURTHER, that the party of the first part shall have the right at all reasonable times to examine the books of the said parties of the second part, to ascertain the number of articles so manufactured and the cost price thereof, and

PROVIDED FURTHER, that upon any assignment of this agreement, or any interest therein, the parties to whom the same shall be assigned, shall become and be responsible to the extent of such assignment, to the party of the first part hereto.

SECOND: The parties of the second part on behalf of themselves and their assigns, accept the rights hereinabove granted, subject to the terms hereinabove stated, and agree to perform the conditions thereof.

IN WITNESS WHEREOF, the parties hereto have signed their names and affixed their seals the day and year first above written.

H. N. Marvin,
Herman Casler,
E. B. Koopman,
W. K. L. Dickson.

AMERICAN MUTOSCOPE COMPANY,

By.....

Attest:

President.

Jno. T. Easton,
Secretary.

WHEREAS, the Executive Committee consider it advisable that definite arrangement should be made with Messrs. Marvin, Koopman, Casler and Dickson respecting right to manufacture in the United States of America and Canada, Mustoscopic articles and appliances, to be shipped to and be used in countries other than the United States of America and Canada. It is, therefore,

RESOLVED: That this Company enter into and the officers are hereby authorized to enter into an agreement with Messrs. Marvin, Koopman, Casler and Dickson by and under which this Company agrees that said Marvin, Koopman, Casler and Dickson shall have the right, and does hereby grant to them the right, to have said goods manufactured in the United States of America and Canada, by this company or others, for use in and shipment to foreign countries only,

PROVIDED, that in all cases this Company shall have the first option to manufacture such goods for them, charging them therefor, as a royalty, fifteen (15%) per cent. of the cost price of all such goods so manufactured, and in the event that this Company shall not elect so to manufacture such goods for said Marvin, Koopman, Casler and Dickson, or shall fail with reasonable promptitude to fill their orders for such goods, then, and in that event only, the said Marvin, Koopman, Casler and Dickson shall have the permanent right to have such goods manufactured for them for export only, by others. And in that event, they shall pay the American Mutoscope Company a royalty of fifteen per cent. (15%) of the cost price of such articles.

PROVIDED FURTHER, that the goods so manufactured shall bear such stamp as the officers of this Company may deem necessary, and as shall be provided in such agreement, to properly protect this Company against the use of said articles so manufactured in the United States and Canada.

THAT SAID AGREEMENT SHALL FURTHER PROVIDE for regular statements from Marvin, Koopman, Casler and Dickson respecting the number of articles manufactured under the agreement, and actual cost price thereof, where said goods are manufactured by others, and shall provide that this Company shall have the right at all reasonable times to examine the books of said Marvin, Koopman, Casler and Dickson, to ascertain the number of articles so manufactured, and cost price thereof.

Resolution adopted by the Executive Committee of the American Mutoscope Company, under date of December 13th, 1897.

Ratified by a two-thirds majority of the Board of Directors at a meeting held January 18, 1898.

2.

THIS AGREEMENT made this 19th day of February, 1904, by and between the ARMAT MOVING PICTURE COMPANY of Washington, D. C., party of the first part, hereinafter called the first party, and the AMERICAN MUTOSCOPE & BIOGRAPH COMPANY of New Jersey, of the second part, hereinafter called the second party, WITNESSETH as follows:

WHEREAS, the first party now owns and controls United States patent No. 586,953, dated July 20, 1897, to C. F. Jenkins and Thomas Armat, and

WHEREAS, the second party desires to acquire a license not an exclusive license, under said patent to manufacture and use, and under certain conditions only to sell machines under said patent,

NOW, THEREFORE, in consideration of the sum of One Dollar paid by the second party to the first party, the receipt of which is hereby acknowledged, and for other good and valuable considerations, the party of the first part hereby agrees to grant and does hereby grant and convey to the second party, a license but not an exclusive license, to manufacture and use and under certain conditions hereinafter set forth to sell machines manufactured under said patent during the life thereof, upon the following terms and conditions:

(1) The second party agrees to pay to the first party, as a royalty, a sum equal to ten (10%) per cent. of the net profits derived by the second party from the use or sale of machines manufactured, used or sold by the second party under said patent, and embodying the invention covered by said patent, but in no event shall the second party be called upon to pay to the first party, a sum greater than Ten (\$10.) Dollars per week for the use of any one machine used by or for the first party.

(2) The second party shall only be privileged under this license to sell machines hereunder in the event that the machines under the above patent are sold or permitted to be sold by the first party, or by written permission of the first party.

(3) The second party shall keep true and accurate books of account showing the gross receipts and net profits derived from the use or sale of machines manufactured, used or sold for them or by them under said patents. These books of account shall be open to

the inspection of the first party at all reasonable times and the second party shall render to the first party quarterly, true statements showing the amount of the gross receipts derived as above specified, together with the net profits derived from such sources, and shall pay on the twentieth day following the end of each quarter by New York exchange, at the office of the first party in Washington, D. C., without demand all royalties accruing during the preceding quarter.

(4) If the second party shall refuse or fail to keep accounts as herein provided, or if it shall refuse or fail to permit the inspection thereof by the first party's agent or agents as hereinabove provided, and if the default shall continue for sixty (60) days after any date of payment as provided above and after demand therefor by the party of the first part; then the first party or its assigns may revoke this license and all rights of the second party therein by giving written notice to that effect.

(5) In the event of the forfeiture of this license as above provided, any accrued liability of the second party hereunder to the first party shall remain unimpaired and the second party shall have the privilege of disposing of any goods manufactured under the above patent and held by them at the time of termination provided, however, that the first party shall have the first privilege of taking such goods off the hands of the second party at cost price.

IN WITNESS WHEREOF, the party of the first part has caused these presents to be executed by its President, and its corporate seal to be affixed this 19th day of February, 1904, and the party of the second part has caused these presents to be executed by its President the 19th day of February, 1904, in duplicate.

ARMAT MOVING PICTURE COMPANY,

THOS. ARMAT,

President.

In presence of

J. W. CAMPBELL,

MAUD E. KRAEMER.

AMERICAN MUTOSCOPE & BIOGRAPH CO.,

H. N. MARVIN,

President.

In presence of

DRURY W. COOPER,

Cancelled Oct. 17th, 1904

ARMAT MOVING PICTURE COMPANY,

THOS. ARMAT, Pres.,

H. N. MARVIN, Trustee.

Mr. H. N. Marvin, Trustee,

Dear Sir:—

In view of certain representations made to us by you and Judge Campbell and certain assurances that have been made to us that the parties holding a majority of the stock of the American Mutoscope & Biograph Company are willing and desirous to exchange their interests for interests in a new company whose organization is contemplated, which new company is also to secure control of the Armat Co., and in order to provide against loss or damage to the Mutoscope Co., in the event that in spite of the co-operation of the said majority of stockholders of the Mutoscope Co., it shall be found impossible or impracticable to effect the reorganization and combination above referred to, we have this day executed in favor of the American Mutoscope & Biograph Co., the attached license under the Armat patent, which license we now hand to you herewith to be held in trust by you as Trustee, to be delivered to the American Mutoscope & Biograph Co., only in the event (1) on the dismissal of the appeal of such patent now before the Court of Appeals or the affirmation of the judgment of the lower court in favor of the Armat Co., and (2) in the event of the impossibility or impracticability of the reorganization and combination above referred to, provided that said reorganization and combination does not fail through lack of such co-operation and assistance as has been promised you by the holders of the majority of the stock of the American Mutoscope & Biograph Co., but in the event that the above mentioned reorganization and combination shall fail through obstacles interposed by the holders of the stock of the Mutoscope Co., or any of them or by their refusal or failure to carry out the promises and representations that have been made to you in connection with said reorganization, then in that event only, this license shall not be delivered to the Mutoscope Co., but shall be returned to us for cancellation.

Very truly yours,

ARMAT MOVING PICTURE COMPANY,

In duplicate.

THOS ARMAT, President.

Trust accepted:

H. N. MARVIN.

In consideration of the delivery of the foregoing license, and of the withdrawal by the American Mutoscope & Biograph Company of the appeal perfected by it and now pending in the United States Circuit Court of Appeals for the Second Circuit from the decree of the Circuit Court adjudging patent No. 586,953 to be valid and to have been infringed, and in consideration of the settlement of the said litigation, the parties thereto hereby further agree that the provisions of the said agreement regarding the payment of license fees, the keeping of books of account, the penalty for failure to keep account and for default in payment, shall not become binding upon the American Mutoscope & Biograph Company, until and in the event that a decree unappealed from within the statutory period, or affirmed or entered under the direction of the United States Circuit Court of Appeals, shall have been entered declaring the aforesaid patent valid, and infringed by Thomas A. Edison's moving picture apparatus;

And it is further agreed that should the said provisions of the said agreement become effective, the American Mutoscope & Biograph Company shall at all times be entitled to the most favorable terms given to other licensees under the aforesaid patent, and that the said agreement shall be construed to that effect.

IN WITNESS WHEREOF, the parties have executed these presents in the same manner as the foregoing agreement was executed, on this 17th day of October, 1904.

ARMAT MOVING PICTURE COMPANY,

By THOS. ARMAT,
President.

Witness as to
both signatures:

DRURY W. COOPER.

AMERICAN MUTOSCOPE & BIOGRAPH COMPANY,

H. N. MARVIN,
President.

3.

LICENSE AGREEMENT.

AGREEMENT made this thirty-first day of January, 1908, by and between the EDISON MANUFACTURING COMPANY, a corporation organized and existing under the laws of the State of New Jersey and having an office at Orange, in said State, party of the first part (hereinafter referred to as the "Licensor"), and KALEM COMPANY, a corporation organized under the laws of the State of New York and having its principal office in New York City, party of the second part (hereinafter referred to as the "Licensee"):

WHEREAS, the Licensor represents that it is the owner of the entire right, title and interest in and to reissued Letters Patent of the United States numbered 12,037, dated September 30, 1902, and 12,192, dated January 12, 1904, the original Letters Patent whereof were numbered 589,168, and dated August 31, 1897, and that there are no outstanding licenses, shoprights, or other rights under said Letters Patent or either of them; and

WHEREAS, the Licensee is engaged in the manufacture and sale of motion pictures, including the printing of positive motion pictures from negative motion pictures of the Licensee's own production, and, relying upon the aforesaid representations of the Licensor and induced thereby, desires to obtain from the Licensor a license under said two reissued Letters Patent numbered 12,037 and 12,192;

NOW THEREFORE, the parties hereto, for and in consideration of the sum of one dollar, to each in hand paid by the other, and for other good and valuable considerations from each to the other moving, receipt of all of which is hereby acknowledged, have agreed as follows:

(1) The Licensor hereby grants to the Licensee, for the term and subject to the covenants, conditions and stipulations hereinafter expressed, the right and license, under said two reissued Letters Patent, for the United States, its territories and possessions (hereinafter called the "territory aforesaid"), to manufacture and use such a number of cameras or apparatus embodying the invention of said reissued Letters Patent No. 12,037, as may be necessary for the proper conduct of the Licensee's business, and to manufacture, print and produce and sell positive motion pictures embodying the invention of said reissued Letters Patent No. 12,192. The license

hereby granted is personal to the Licensee and does not include the right to sell or dispose of, in the "territory aforesaid," any cameras or apparatus embodying any invention covered by said reissued Letters Patent No. 12,037; and, in the event of the permanent discontinuance or retirement from business of the Licensee, the license hereby granted shall be immediately terminated.

(2) The Licensor, for itself, its successors, assigns, and legal representatives, hereby releases, acquits and discharges the Licensee from any and all claims, demands and liability for profits and damages because of any infringement by the Licensee of said reissued Letters Patent numbered 12,037 and 12,192, or use by the Licensee of the inventions covered thereby or by either of said reissued Letters Patent prior to February 1, 1908.

(3) The Licensee hereby recognizes and admits the validity of said reissued Letters Patent No. 12,037, so far as the first three claims thereof are concerned, and the validity of said reissued Letters Patent No. 12,192, and the Licensee agrees not to contest or question the same during the continuance of this agreement.

(4) The Licensor and Licensee mutually covenant and agree that in the manufacture of motion pictures, both negative and positive, in the "territory aforesaid," during the continuance of this agreement, they will use exclusively sensitized film approximately one and three-eighths ($1\frac{3}{8}$) inch or thirty-five (35) millimeters in width or narrower, manufactured and sold in the United States under authority from the Licensor and hereinafter called "Licensed Film," and that they will not purchase or otherwise acquire or sell or otherwise dispose of or deal in motion pictures produced on or by the use of any other film than such "Licensed Film," nor sell or otherwise dispose of any negative motion pictures.

The Licensor covenants and agrees, upon the execution of this agreement, to furnish the Licensee with the name or names of the manufacturer or manufacturers of such "Licensed Film" from whom the Licensor and Licensee shall purchase the same, and the Licensor agrees also to keep the Licensee promptly informed hereafter, from time to time, of the name or names of any other or additional manufacturer or manufacturers authorized by the Licensor to make such "Licensed Film" and from whom the same may be purchased.

The Licensor further covenants and agrees that it will exact from each manufacturer authorized by it to furnish or sell such "Licensed Film," an agreement in writing not to knowingly furnish

or sell, in the "territory aforesaid," except for export, while so authorized to sell such "Licensed Film," sensitized film for the commercial production of negative and positive motion pictures to any one but the Licensor and its Licensees under said reissued Letters Patent numbered 12,037 and 12,192, except to the extent of $2\frac{1}{2}\%$ of the total amount of such "Licensed Film" of a width approximating one and three-eighths ($1\frac{3}{8}$) inches or thirty-five (35) millimeters, or narrower, supplied by such manufacturer to the Licensor and said Licensees during any one year during the continuance of such authority, which amount such manufacturer shall have the right to furnish or sell in the "territory aforesaid," to persons not engaged in the business of manufacturing, selling, loaning, renting out, or otherwise disposing of or dealing in motion pictures in the "territory aforesaid," and with the further exception that such manufacturer may also reserve the right to manufacture and sell sensitized films suitable for the commercial production of negative and positive motion pictures of a width not to exceed approximately three-quarters of an inch ($\frac{3}{4}$ in.) in the "territory aforesaid" to persons, firms or corporations engaged in the business of manufacturing, selling, loaning, renting out or otherwise disposing of or dealing in motion pictures in the "territory aforesaid." *Provided, however,* that such manufacturer may be given the additional right, by the Licensor, to furnish or sell sensitized film for the commercial production of negative and positive motion pictures to persons, firms and corporations other than those above indicated for a period of Thirty (30) days from the date of such agreement with such manufacturer, in order that such other persons, firms and corporations may have a reasonable time in which to arrange for obtaining film from some other source and not be cut off during such time.

The Licensor further agrees that the royalties which it will charge to and receive from such authorized manufacturer or manufacturers for "Licensed Film" (and which are in turn to be included by the manufacturer or manufacturers in the prices charged for "Licensed Film" to the Licensee) shall not, for "Licensed Film" of a width approximately one inch and three-eighth of an inch ($1\frac{3}{8}$ in.) or thirty-five (35) millimeters, purchased by the Licensee during any year during the continuance of this agreement, counting from the date when it takes effect as hereinafter provided, exceed the following rates, that is to say:

If the shipment of such "Licensed Film" to the Licensee, on the

Licensee's orders, for any such year, be four million running feet or less, a royalty of one-half ($1\frac{1}{2}$) cent. per running foot on the total number of feet for that year; if such shipments, on the Licensee's orders, of such "Licensed Film," for any such year, exceed four million running feet but do not exceed six million running feet, a royalty of four and one-half ($4\frac{1}{2}$) mills per running foot on the total number of running feet for that year; if such shipments, on the Licensee's orders, of such "Licensed Film," for any such year, exceed six million running feet but do not exceed eight million running feet, a royalty of four (4) mills per running foot on the total number of running feet for that year; if such shipments, on the Licensee's orders, of such "Licensed Film," for any such year, exceed eight million running feet but do not exceed ten million running feet, a royalty of three and three-quarter ($3\frac{3}{4}$) mills per running foot on the total number of running feet for that year; and if such shipments, on the Licensee's orders, of such "Licensed Film," for any such year, exceed ten million running feet, a royalty of three and one-quarter ($3\frac{1}{4}$) mills per running foot on the total number of running feet for that year. And for "Licensed Film" narrower than approximately one and three-eighths ($1\frac{3}{8}$ in.) inch, or thirty-five (35) millimeters, the above mentioned royalties shall be reduced in proportion to the reduction in width of such narrower "Licensed Film" below the width of such "Licensed Film" of approximately one and three-eighths ($1\frac{3}{8}$ in.) inch or thirty-five (35) millimeters.

The Licensor further agrees that the dealings between the Licensee and the authorized manufacturer or manufacturers from whom the Licensee purchases such "Licensed Film" shall, insofar as the number of running feet ordered by or shipped to the Licensee or anything that would indicate or disclose the number of such feet is concerned, be a matter of confidence between the Licensee and such manufacturer or manufacturers, who shall not be at liberty to disclose, and moreover shall be bound in writing not to disclose, directly or indirectly, to the Licensor or any other Licensee under the Letters Patent or either of them, hereinbefore referred to, the number of such feet of "Licensed Film" so ordered by or shipped to the Licensee; the Licensor further agreeing to so arrange or provide for the reports and royalty payments to be made to it by such manufacturer or manufacturers that the latter shall make such reports and royalty payments in gross, as to all of the Licensees to whom shipments of such "Licensed Film" are made, and without

specifying the number of running feet of "Licensed Film" so shipped to any of them, either by a statement of the number of such feet or the amount of royalties paid or to be paid by such manufacturer or manufacturers for or on account thereof.

(5) The Licensor and Licensee further mutually covenant and agree not to sell or otherwise dispose of or offer for sale, in the "territory aforesaid," unexposed positive or negative "Licensed Film" during the continuance of this agreement; but this provision shall not prevent either party from selling as refuse, in the "territory aforesaid," second hand positive or negative motion pictures or motion pictures which have been used or become shop-worn or in any way damaged, to a manufacturer or manufacturers of "Licensed Film" or to a manufacturer to manufacture other articles than film therefrom, but only after they have been rendered by the Licensor or Licensee unsuitable for use as motion pictures by cutting or otherwise defacing them; or from selling exposed positive or negative film (either waste or in rolls) known as "blank film" for use by dealers, renters or exhibitors for leaders or for spacing or for similar purposes, but which shall not and cannot be otherwise employed for the exhibition of motion pictures.

(6) The Licensor and Licensee further mutually covenant and agree not to loan, rent out, sell or offer for sale, or otherwise dispose of, in the "territory aforesaid," motion pictures to anyone purchasing or otherwise obtaining, using, loaning, renting out, selling, offering for sale, or otherwise disposing of or dealing in, non-licensed motion pictures.

(7) The Licensee agrees to mark each and every camera or apparatus embodying the invention of reissued Letters Patent No. 12,037, which the Licensee may make or use under this agreement with the following words and figures:—

"Patented August 31, 1897;
reissued September 30th, 1902."

and the Licensor and Licensee each agrees to mark conspicuously on the labels which shall be placed on boxes or packages containing positive motion pictures manufactured in the "territory aforesaid" by the Licensor or the Licensee as the case may be (unless and until the same shall be changed as provided in paragraph 17), with the following words and figures:

"LICENSED MOTION PICTURE.

(Patented in the United States August 31, 1897; reissued January 12, 1904).

The enclosed motion picture is sold upon the following terms and conditions:

(1) That the purchaser shall not sell or otherwise dispose of the same outright, but shall have the right to use such motion picture in giving moving picture exhibitions or to rent out such motion picture;

(2) That the purchaser shall not rent out such motion picture or any other motion picture licensed under the above reissued patent for use in giving motion picture exhibitions at a lower rental price, directly or indirectly, than that prescribed below;

(3) That the purchaser or user thereof shall not make any reproduction commonly known as a 'dupe' of such motion picture or of any other motion picture licensed under the above reissued patent;

(4) That the purchaser or user thereof shall not remove the trade mark or trade name or title therefrom."

(8) The Licensor and Licensee further mutually covenant and agree not to use, in the production of negative or positive motion pictures under this agreement, the negative or positive motion pictures, or reproductions commonly known as "duplicates" of the negative or positive motion pictures of each other or of any other manufacturer or person, firm or corporation located either in the "territory aforesaid" or in any foreign country, whether the same have or have not been copyrighted in the "territory aforesaid" or in any foreign country.

(9) The Licensor has established the following scale of minimum prices (which the Licensee admits is a fair and reasonable one) for the sale of positive motion pictures in the United States and its territories (with the exception of its insular possessions and Alaska) hereinafter called the "sales territory aforesaid," except

those for export and as otherwise provided for hereinafter, embodying the invention of said reissued Letters Patent No. 12,192:

List	12	cents per running foot;
Standing Order 1 print.....	11½	“ “ “ “
“ “ 2 prints.....	11	“ “ “ “
“ “ 3 “	10½	“ “ “ “
“ “ 5 “	10	“ “ “ “
“ “ 7 “and over	9½	“ “ “ “

The Licensor and Licensee further mutually covenant and agree that the above scale of minimum prices is to remain in force until a new scale of prices is adopted, each such new scale to be adopted, during the continuance of this agreement, by a plurality vote of the Licensor and the Licensee and the several other licensees hereinafter provided for, or such of them as may at the time be Licensees on the basis of one vote for each thousand running feet of new subjects placed on sale in the “territory aforesaid” by each Licensee and the Licensor during the year preceding the taking of such vote; and they further covenant and agree that any changes which may hereafter be so made in said scale of prices, and of which the Licensee shall be notified in writing by the Licensor, shall be accepted and adopted by the Licensor and Licensee in the place and stead of the scale of prices above given or of any substitute or substitutes therefor adopted prior to such change. It is, however, expressly mutually covenanted and agreed that in no case shall such new scale of prices either list or standing order, be less than nine (9) cents per running foot. By the expression “running feet of new subjects” above referred to, and hereafter used, the parties hereto mean the aggregate amount ascertained by adding together the individual number of running feet of one print of each and every new motion picture regularly listed and placed on sale, and irrespective of the number of prints of any subject which may be sold.

The Licensor and Licensee further mutually covenant and agree that in case, during the continuance of this agreement, there should be for any reason only three such licensees, then, and in such case, the Licensor may adopt a minimum scale of prices in the place and stead of the minimum scale of prices above given or of any substitute or substitutes therefor adopted in the manner above provided, which, however, shall in no case be above the minimum scale of prices that may be in force at the time the Licensor adopts the said new mini-

minimum scale of prices, which said new minimum scale of prices shall be binding upon the Licensee but only after receiving notice thereof in writing from the Licensor.

(10) The Licensor and Licensee further mutually covenant and agree that an order in the "sales territory aforesaid," except for export, for one or more positive motion pictures of each and every new subject made by the parties hereto, when placed on sale in the regular order of business, shall constitute a "standing order" within the meaning of the scale of prices aforesaid or any substitute therefor hereafter adopted, said standing order to remain in force for not less than thirty (30) consecutive days; and the parties hereto further covenant and agree that the minimum price at which any additional positive motion pictures shall be sold in the "sales territory aforesaid," except for export, subsequent to the filling of a standing order, shall be the same per running foot as the pictures furnished on such standing order. All positive motion pictures which may be hereafter sold in the "sales territory aforesaid," except for export, to persons not having a standing order, as above defined, shall in every case be sold at not less than the list price mentioned in said scale of prices or any substitute therefor hereafter adopted, except as provided for in Paragraph 12 as to "special motion pictures."

(11) The Licensor and Licensee further mutually covenant and agree that positive motion pictures made by or for them and unsold prior to February 1, 1908, shall be subject to the scale of prices aforesaid and shall be sold in the "sales territory aforesaid," except those for export, at not less than the prices fixed in said scale for positive motion pictures as provided for in Paragraphs 9 and 10.

(12) It is further mutually covenanted and agreed by the Licensor and Licensee that in the case of so-called "special motion pictures," (where it is agreed by the Licensor and Licensee, as the case may be, that the negative shall be the exclusive property of the person ordering the same, although remaining in the care and custody of the Licensor or Licensee, and where positive prints therefrom shall be made from time to time on the order of such person), the price to be paid for the making of such negative in the "territory aforesaid" shall not be less than one dollar (\$1.00) per running foot, and that the price at which positive prints therefrom shall be

sold in the "territory aforesaid," except for export, shall not be less than fifteen (15) cents per running foot.

(13) The Licensor and Licensee further mutually covenant and agree not to sell motion pictures in the "sales territory aforesaid," under any circumstances, either directly or indirectly, during the continuance of this agreement, at lower prices than those fixed and established as provided for in Paragraphs 9, 10, 11 and 12, except for export.

(14) It is further and mutually covenanted and agreed by the Licensor and Licensee that the prices above referred to in Paragraphs 9, 10, 11 and 12 or any substitutes for the same hereafter *adopted*, shall not apply to sales or shipments of motion pictures made *bona fide* for export, when the goods, addressed to the foreign purchaser, agent or consignee, are delivered to the vessel or to a transportation company for transportation to a foreign country, and not otherwise. By export sales, the parties hereto include all sales for delivery outside of the "sales territory aforesaid."

The Licensor and Licensee further mutually covenant and agree that in no case shall export sales of motion pictures be knowingly made by them to persons, firms or corporations who such Licensor or Licensee have reason to believe will reimport them for sale into the "sales territory aforesaid."

(15) The Licensor and Licensee further mutually covenant and agree that, except as provided for in paragraph 5, they will not sell or offer for sale, in the "territory aforesaid," at reduced prices, second-hand motion pictures or motion pictures which have been used or which have become shop-worn or in any way damaged.

(16) The Licensor and Licensee further mutually covenant and agree that in the "sales territory aforesaid" all sales of positive motion pictures, except for export, shall be net sales without the allowance of any discounts or rebates or other reduction by which a purchaser might acquire positive motion pictures at lower prices than those set forth in Paragraphs 9, 10, 11 and 12, or any substitutes therefor hereafter adopted (provided, however, that in any case 2% discount may be allowed for cash), and that they will not dispose of such positive motion pictures as premiums, or by lottery, or raffle, or any game of chance, or in any way whereby they may be acquired directly or indirectly for less than the price set forth in Paragraphs 9, 10, 11 and 12, or substitutes therefor.

The Licensor and Licensee further mutually covenant and agree

that, in the "sales territory aforesaid" they will not sell or offer for sale other goods or merchandise at less than current prices in order to induce the sale of positive motion pictures, nor present or donate other goods or merchandise or prizes, or make use of credit cards or trading stamps, or offer any premium of any kind whatsoever, to induce the sale of such positive motion pictures.

(17) It is further mutually covenanted and agreed by and between the Licensor and Licensee that, except for export, no sales of positive motion pictures shall be made in the "sales territory aforesaid" by the Licensor or Licensee, except upon and subject to the following terms and conditions, the substance of which (with the exception of the condition as to the return of positive motion pictures hereinafter referred to) shall be expressed in a printed notice on the labels, as provided for in paragraph 7, accompanying each positive motion picture; namely, that the purchaser of such positive motion picture shall not sell or otherwise dispose of the same outright, but shall only have the right to use such positive motion picture in giving moving picture exhibitions, or to rent out such positive motion picture, and that the purchaser shall not make any reproduction commonly known as a "dupe" of such positive motion picture or of any other positive motion picture licensed under reissued Letters Patent No. 12,192, or rent out the same or any other positive motion picture licensed under reissued Letters Patent No. 12,192, for use in giving moving picture exhibitions at a lower rental price directly or indirectly than that prescribed by the Licensor or the Licensee, as the case may be, at the time of the sale of such motion picture; and that the purchaser of such positive motion picture shall not remove the trade mark or trade name or title therefrom; and that the purchaser shall return to the Licensor or Licensee as the case may be from whom such positive motion pictures have been purchased (without any payment therefor except the transportation charges incident to the return of the same) on the first day of every month, beginning with August 1, 1908, an amount of positive motion pictures in running feet (not purchased over six months before) and of the make of the Licensor or Licensee as the case may be to whom it is returned, equal to the amount that was so purchased during the sixth month preceding the date of each such return; with the exception, however, that where any such positive motion pictures are destroyed by fire or lost in transportation, and proof satisfactory to the Licensor or Licensee as the case may be is furnished as to such de-

struction or loss, the amount so destroyed or lost shall be deducted from the amount to be returned, as aforesaid.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that the rental price aforesaid for the renting out of licensed positive motion pictures shall be fixed as soon after the date of the execution of this agreement as is practicable (and which may be changed in the same manner during the continuance of this agreement as may also any or all of the terms and conditions recited in this paragraph), by a plurality vote of the Licensor and Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects placed on sale in the "territory aforesaid" by each licensee and the Licensor during the year preceding the taking of such vote.

(18) The Licensor and Licensee further mutually covenant and agree that in the "sales territory aforesaid" they will dispose of the positive motion pictures manufactured, printed or produced by them, only by the sale thereof, or by shipments thereof abroad (including the insular possessions of the United States and Alaska), and will not dispose of the same by loaning or renting them to others, nor use them for the purpose of giving exhibitions thereof for profit directly or indirectly; it being expressly understood and agreed, however, that they shall be at liberty to give exhibitions of such positive motion pictures without profit directly or indirectly, and to possible or prospective purchasers thereof.

(19) The Licensor further covenants and agrees that it will, during the continuance of this agreement, protect so far as possible the Licensee against the competition of infringers of said reissued Letters Patent numbered 12,037 and 12,192, and each of them, and that when it is notified or otherwise obtains knowledge of any such infringement it will promptly institute suits against such infringers, and thereafter diligently prosecute the same to final hearing and decision; all expense connected with the institution and prosecution of such suits to be borne by the Licensor, which shall also be entitled to receive and apply to its own use all recoveries had therein for damages and profits.

The Licensor and Licensee further mutually covenant and agree that if said reissued Letters Patent numbered 12,037 and 12,192, or either of the claims of the latter, or any of claims 1, 2 and 3 of the former, should be held to be invalid by a court of last resort, or

not to be infringed in any suit on said Letters Patent, then and in such case the Licensee may at once terminate this agreement and the license thereby granted by giving notice of its election so to do to the Licensor.

The Licensor and Licensee further mutually covenant and agree that the Licensor may, at its own expense (except as hereinafter provided), during the continuance of this agreement, institute and prosecute suits against any licensees under said reissued Letters Patent numbered 12,037 and 12,192, for any breach or violation on the part of such licensee of the covenants respecting prices at which positive motion pictures shall be sold in the "sales territory aforesaid," and also for violation of any of the other terms, conditions or stipulations entered into by such licensee; that the Licensor shall at the end of each year, counting from the first day of February, 1908, render to the Licensee and the other licensees hereinbefore provided for, a statement in writing showing in detail all legal expenses incurred by it during such year in the prosecution of such suit or suits; and that, up to but not exceeding the sum of Twenty Thousand Dollars (\$20,000) for any such year, all such legal expenses, insofar as they may be reasonable and proper, shall be borne and paid by the Licensor, the Licensee and the other licensees aforesaid *pro rata* according to the number of thousand running feet of new subjects placed on sale by each relatively to the total number of thousand running feet of new subjects placed on sale by all in the territory aforesaid during the year preceding the rendition of such statement. It is, however, understood and agreed that any legal expenses in such suits in excess of Twenty Thousand Dollars (\$20,000) during any such year are to be borne and paid as the Licensor and the Licensee and the several additional licensees may hereafter mutually agree upon.

(20) It is mutually covenanted and agreed by and between the Licensor and Licensee that the Licensor may grant other licenses under said reissued Letters Patent numbered 12,037 and 12,192, said licenses to be in writing and not to exceed six in number (except by a plurality vote of the Licensor and the Licensee, and the six other licensees, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects placed on sale in the "territory aforesaid" by such licensees during the year preceding the taking of such vote), and not to be granted or continued upon terms, conditions or stipulations which are in

any respect more favorable to the licensees named therein than those set forth in this agreement; *provided, however*, that if any of such additional six licenses should be terminated, during the continuance of this agreement, then and in each such case the Licensor may grant a license to some other motion picture manufacturer but not on terms, conditions or stipulations which are more favorable as to such new licensee than those set forth in this agreement, it being the intent and purpose of the Licensor and Licensee that the Licensor shall have the privilege of having six outstanding licensees under said reissued Letters Patent numbered 12,037 and 12,192, in addition to that granted to the Licensee.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that in case the Licensor should be notified by the Licensee or it should otherwise come to its knowledge that any such additional licensee has knowingly or through gross neglect or carelessness broken, violated or failed to perform any of the terms, conditions or stipulations of the license granted by the Licensor resulting in substantial injury to the Licensor, or the Licensee or the other licensees, the Licensor will promptly notify such licensee in writing of such breach, violation or non-performance, and if such licensee should, for a period not exceeding forty (40) days, after such notice, persist in or fail to correct, repair or remedy the same, the Licensor shall at once terminate the license to such licensee; and that in case any such licensee should be guilty of a second grossly neglectful, careless or knowing breach, violation or non-performance of such terms, conditions or stipulations, resulting in substantial injury to the Licensor, or the Licensee or the other licensees, then, and in such case, the Licensor shall terminate the license to such licensee by giving the latter thirty (30) days' notice in writing of its intention so to do.

(21) It is mutually covenanted and agreed by and between the Licensor and Licensee that unless sooner terminated, as hereinbefore or hereinafter provided, this agreement and the license granted thereby shall take effect February 1, 1908, and shall continue for the term of two years from said date, but that the Licensee may renew this agreement and license thereafter from year to year upon the same terms, conditions and stipulations as herein provided, by giving notice to the Licensor on or before December 1, in each year, beginning with the year 1909, of its election to so renew this agreement and license, and upon the giving of each such notice this agree-

ment and the license thereby granted shall be considered and treated by the Licensors and the Licensee as renewed for the period of one year, beginning February 1, of the year following such notice, except that the last renewal shall be for the period from February 1, 1914, to August 31, 1914, but in no case shall this agreement or license be continued beyond August 31, 1914, the date of expiration of the reissued Letters Patent numbered 12,037 and 12,192.

It is further mutually covenanted and agreed by and between the Licensors and Licensee that if, during said original term or during any such renewal period, either party should, knowingly or through gross neglect or carelessness, be guilty of a breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, and should, for the period of forty days after notice thereof from the other party persist therein or fail to correct, repair or remedy the same, then and in such case the party aggrieved may terminate this agreement by giving notice in writing to the guilty party of its intention so to do. It is, however, mutually covenanted and agreed by and between the Licensors and Licensee that if the guilty party should correct, repair or remedy such breach, violation, or non-performance of its covenants, conditions and stipulations within the said period or forty (40) days after such notice, and should thereafter knowingly or through gross neglect or carelessness be guilty of a second breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, then, and in such case, the party aggrieved may terminate this agreement by giving thirty (30) days' notice in writing to the guilty party of its intention so to do. Such termination of the agreement, however, shall not prejudice, either party hereto in the recovery of damages because of any such breach, violation or non-performance by the other party hereto.

(22) All notices provided for in this agreement shall be in writing and shall be given by delivering the same to the Licensors or Licensee, as the case may be, or by depositing such notices, postage prepaid, in any Post-office of the United States, in a sealed envelope directed to the Licensors or Licensee, as the case may be, at its last known Post-office address, to be forwarded by registered mail.

(23) It is mutually covenanted and agreed by and between the Licensors and Licensee that after notice of the termination of this agreement and the license granted thereby by either party, as pro-

vided for in paragraph 21 of this agreement, and after the same have been terminated, no matter what the cause or manner of termination may be, neither this license agreement, nor the fact that the Licensee has entered into or acted under it, shall be used in any manner, directly or indirectly, by or for the Licensor, its successors, assigns or legal representatives, or by or for others with its or their consent or permission, against the Licensee, or the Licensee's successors or legal representatives, in any litigation, controversy or proceeding involving the Licensee or them or any other persons, firms or corporations, or in any other way, it being understood and agreed that upon such termination the positions and rights of the Licensor and Licensee shall be the same as if this agreement had not been made, *provided, however*, that the rights of neither party shall be prejudiced by such termination in the recovery of damages for any breach or other violation of this agreement by the other occurring prior to such termination.

(24) It is mutually covenanted and agreed that this agreement shall bind and inure to the benefit of the Licensor, its successors, assigns and legal representatives.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed, the Licensor by its officers duly authorized to perform these acts, and the Licensee by _____ the day and year first above written.

EDISON MANUFACTURING COMPANY,

By THOMAS A. EDISON,
President.

Attest:

H. F. MILLER,
Assistant Secretary.

[SEAL]

KALEM COMPANY,

By SAMUEL LONG,
President.

Attest:

FRANK J. MARION,
Secretary.

[SEAL]

4, 5, 6, 7.

The four Agreements between

EDISON MANUFACTURING COMPANY

and

SELIG POLYSCOPE COMPANY,
ESSANAY FILM MANUFACTURING COMPANY,
THE VITAGRAPH COMPANY OF AMERICA and
SIEGMUND LUBIN

are dated the 31st day of January, 1908, and are identical in terms with the aforesaid Agreement of said Edison Company with the Kalem Company, Inc., ante p. 12.

8.

AGREEMENT made this 31st day of January, 1908, by and between the EDISON MANUFACTURING COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Orange, in said State, party of the first part (hereinafter referred to as the Licensor) and GASTON MELIES of New York City, (for himself and as attorney for George Melies of Paris, France) party of the second part, (hereinafter referred to as the Licensee) :

WHEREAS, by agreement of even date herewith, copy whereof is attached hereto and made a part hereof, the Licensor has granted unto the Licensee a non-exclusive license under reissued Letters Patent of the United States numbered 12,037 dated September 30, 1902, and 12,192 dated January 12, 1904, including the right "to manufacture, print and produce and sell positive motion pictures embodying the invention of said reissued Letters Patent numbered 12,192"; and

WHEREAS, the said Gaston Melies is not engaged at the present time in the production in this country of original negative motion pictures, but is engaged in the importation of negative motion pictures manufactured by said George Melies in France, from which positive prints are produced in this country, and

WHEREAS, the said Gaston Melies is the attorney for, and is the sole and exclusive importer of such negative motion pictures from, the said George Melies, and desires to secure from the Licensor the right and license to import such negative motion pictures and to print and sell positive motion pictures produced therefrom.

NOW, THEREFORE, the parties hereto for and in consideration of the sum of One Dollar to each in hand paid by the other and for other good and valuable consideration, from each to the other moving, receipt of which is hereby acknowledged, have agreed as follows:

(1) So long as said concurrent agreement of even date herewith, above referred to, remains in force, and the Licensee observes all the terms and conditions thereof, the Licensor grants to the Licensee the right and license under said two reissued Letters Patent to import into the United States, its territories and possessions negative motion pictures produced by said George Melies and to print and produce and sell positive motion pictures made

therefrom, *provided, however*, that the positive motion pictures so made shall as to their disposition by the Licensee be subject to all the terms, conditions and stipulations of the annexed concurrent agreement, the purpose of the present agreement being solely to authorize the Licensee to import negatives made by said George Melies instead of manufacturing the same himself in this country. It is understood and agreed between the parties hereto that in the case of any negatives made prior to 1904 by said George Melies, and of which the Licensee has no negative in this country, the Licensee shall have the right and license to import positive prints therefrom necessary to fill *bona fide* orders, but no positive prints of any negatives made after 1904 shall be imported by the Licensee.

(2) The present license is granted on the condition that the Licensee shall remain the sole and exclusive representative of the said George Melies in the United States, and should the said George Melies export positive films to the United States or knowingly permit their importation into the United States, the Licensor shall have the right to cancel the present agreement, as well as the concurrent agreement, above referred to.

(3) The present agreement shall continue so long as the concurrent agreement between the parties remains in force and effect and shall be subject to all the terms, conditions and stipulations thereof.

IN WITNESS WHEREOF the parties hereto have caused this agreement to be executed, the Licensor by its officers duly authorized to perform these acts, and the Licensee by his hand and seal in the presence of two subscribing witnesses.

EDISON MANUFACTURING COMPANY,

By THOMAS A. EDISON,

(Seal)

President.

Attest:

A. WESTEE,
Secretary.

GASTON MELIES.
GEORGE MELIES,
By GASTON MELIES,
Attorney.

In Presence of:
FRANK L. DYER,
WM. PELZER.

The agreement, referred to in the first recital, and attached to the Gaston Melies agreement and made part thereof, is identical with the agreements between the Edison Manufacturing Company, and Kalem Company, and others, ante p. 12, and is not herein repeated.

9.

MOTION PICTURE FILMS

Prices, Discounts, Terms, Rental Schedule, Conditions of Sale and Agreement for the United States of America.

SUBJECT TO CHANGE.

Issued by

EDISON MANUFACTURING COMPANY,

Orange, N. J., U. S. A.

Trade-Mark

THOMAS A. EDISON

PRICES OF LICENSED POSITIVE MOTION PICTURES.

List	12	cents per running foot.				
Standing Order 1 print.....	11½	"	"	"	"	"
" " 2 prints.....	11	"	"	"	"	"
" " 3 prints.....	10½	"	"	"	"	"
" " 5 prints.....	10	"	"	"	"	"
" " 7 prints and over...	9½	"	"	"	"	"

A purchaser may give a separate standing order for each of his offices.

All prints for each separate standing order will be shipped only to one office.

The price charged will be, for each office, according to the number of prints shipped to that office as per above.

DISCOUNT.

The vendor will allow, on all the licensed positive motion pictures sold by vendor to the purchaser, prior to September 1st, 1908, a discount of 6% off the above prices for cash remitted on delivery of goods.

TERMS.

All shipments are made f. o. b. vendor's office at purchaser's risk. C. O. D. at the vendor's option.

MINIMUM RENTAL SCHEDULE FOR LICENSED POSITIVE MOTION PICTURES.

Price for Service.		Weekly Contracts.					
	1	2	3	4	5	6	7
When Changed	Reels	Reels	Reels	Reels	Reels	Reels	Reels
Once a week	\$16	\$32	\$ 48	\$ 64	\$ 80	\$ 96	\$112
2 times a week	20	40	60	80	100	120	140
3 times a week	24	48	72	96	120	144	168
4 times a week	28	56	84	112	140	168	196
5 times a week	32	64	96	128	160	192	224
6 times a week	36	72	108	144	180	216	252
Every Day	40	80	120	160	200	240	280

Each reel must contain not more than eleven hundred (1100) feet.

In all contracts for less than 7 days, the price is \$6.00 per day per reel.

Exhibitor to pay Express Charges Both Ways.

CONDITIONS OF SALE.

Licensed motion pictures manufactured under re-issued Letters Patent No. 12,192, dated January 12, 1904, are sold by Edison Manufacturing Company, hereinafter referred to as the Vendor, subject to the following conditions:

1. From the date of this agreement, the purchaser shall buy exclusively licensed motion pictures obtained from the vendor, or from a duly licensed manufacturer of such motion pictures, under said reissued Letters Patent.

2. The purchaser shall not sell nor exhibit licensed motion pictures obtained from the vendor, but shall rent out such motion pictures only to exhibitors, who shall exclusively exhibit licensed motion pictures obtained from the vendor or from a duly licensed manufacturer under said reissued Letters Patent, but in no case shall the exhibitor be permitted to sell or sub-let or loan or otherwise dispose of said licensed motion pictures.

3. The price to be paid by the purchaser to the vendor shall in no case be less than that defined in the foregoing schedule of prices, or in any other substitute schedule of prices which may be regularly

adopted by the vendor, and of which notice shall be given to the purchaser hereafter.

4. To permit the purchaser to take advantage of any standing order price mentioned in said schedule, said standing order shall remain in force for not less than thirty (30) consecutive days. An increase in the number of prints to be furnished on a standing order shall be considered as a new standing order and must be in force for not less than thirty (30) consecutive days. Any standing order may be canceled or reduced by the purchaser on thirty (30) days' notice. Extra prints shall be furnished to the purchaser at the price which the purchaser is paying under his standing order, in force at the time the extra prints may be ordered.

5. The purchaser shall not sell, rent, or otherwise dispose of, either directly or indirectly, any of the vendor's licensed motion pictures (however the same shall have been obtained) to any persons, firms, or corporations, or agents thereof, who may be engaged either directly or indirectly in selling or renting motion picture films.

6. The vendor shall not make or cause to be made or permit others to make, reproductions or so-called "duplicates" of any of the vendor's motion picture films, nor sell, rent, loan or otherwise dispose of or deal in such reproductions or "duplicates."

7. The purchaser shall not deliberately, remove the vendor's trademark or tradename or title from any licensed motion picture film obtained from the vendor, nor permit others to do so, but in case any title is made by purchaser, the vendor's name is to be placed thereon, provided, that in making any title by the purchaser, the vendor's trade-mark shall not be reproduced.

8. The purchaser shall return to the vendor (without receiving any payment therefor, except that the vendor shall pay transportation charges incident to the return of the same) on the first day of every month, commencing seven months from the first day of the month on which this agreement is executed, an equivalent amount of positive motion picture film in running feet (not purchased over twelve months before) and of the vendor's make, equal to the amount that was so purchased during the seventh month preceding the date of each such return, *with the exception, however,* that where any such motion pictures are destroyed or lost in transportation or otherwise, and proof satisfactory to the vendor is furnished as to such destruction or loss, the vendor shall deduct the amount so destroyed or lost from the amount to be returned.

9. The purchaser shall not rent out licensed motion pictures below the minimum rental schedule above set forth, or any substitute or substitutes therefor, which may be regularly adopted by the vendor, and of which the purchaser shall have notice.

10. The purchaser shall not offer any inducements or concessions in the form of premiums or rebates or furnish to the exhibitor any supplies or merchandise by which, either directly or indirectly, the licensed motion pictures will in effect be rented at prices below said minimum rental schedule.

11. The purchaser shall not sell, rent, loan or otherwise dispose of any of the vendor's licensed motion pictures (however the same may have been obtained) to any person, firm or corporation in the exhibition business, who may have violated any of the terms or conditions imposed by the vendor through any of its other vendees and of which violation the present purchaser may have had notice.

12. The purchaser shall not rent out licensed motion pictures to any exhibitor unless a contract with said exhibitor (satisfactory in form to the vendor) is first exacted, under which the exhibitor agrees to conform to all the conditions and stipulations of the present agreement applicable to the exhibitor; and in the case of an exhibitor who may operate more than a single place of exhibition, a similar contract shall be exacted in connection with each place so operated.

13. This agreement is personal to and non-transferable by the purchaser.

14. The vendor agrees that before making sales of any licensed motion pictures to any purchaser in the United States (not including its insular territorial possessions and Alaska) it will exact from each such purchaser, an agreement similar in terms to the present agreement, in order that all purchasers who may do business with the vendor will be placed in a position of exact equality.

15. It is understood and specifically covenanted by the purchaser that if the purchaser shall fail to faithfully keep and perform the foregoing terms and conditions of sale, or any of them, or shall fail to pay for any goods supplied by the vendor within the time prescribed for such payment, the vendor shall thereupon have the right to refuse to supply the purchaser with any further goods and shall also have the right to place the purchaser's name on an appropriate suspended list, which the vendor may publish and distribute to its customers, associates and the several licensed manu-

facturers under said reissued Letters Patent, and the vendor shall also have the right in such case to immediately terminate the present agreement, without prejudice to the vendor's right to sue for and recover any damages which may have been suffered by such breach or non-compliance with the terms and conditions hereof by the purchaser.

16. It is understood that the terms and conditions of this agreement may be changed at the option of the vendor upon sixty (60) days' written notice to the purchaser, but no such change shall be effective and binding unless duly ratified by an officer of the vendor.

AGREEMENT.

IN CONSIDERATION of the sale of licensed motion pictures to me-us at net prices, to be agreed upon with the vendor, and which shall not be less than the prices mentioned in the foregoing Schedule of Prices, and after carefully reading the above Terms and Conditions of Sale, which together with said Schedule of Prices and said Minimum Rental Schedule are to be taken and read with and as a part of this Agreement, I-we Hereby Covenant and Agree with the vendor to conform with, and strictly adhere to, and be bound by the same, and to any and all future changes in or additions thereto, nor to do or suffer any of the acts or things thereby prohibited, and I-we also understand that this Agreement conveys no agency or exclusive rights of any character whatsoever; and it is expressly understood that I-we hereby agree that in case this Agreement is terminated by the vendor or in case of any violation thereof, or of the Terms or Conditions of Sale, the vendor may place and publish my-our name in his removal or suspendid list; I-we also agree and execute this Agreement with the distinct understanding that the same is a personal one and not transferable or assignable, and I-we hereby recognize and acknowledge the validity of said re-issued Letters Patent under which licensed motion pictures herein referred to are manufactured and sold.

Signed
 Street and No.
 City State
 Date

Accepted for

EDISON MANUFACTURING COMPANY.

By

10.

MEMORANDUM OF AGREEMENT entered into this 18th day of February, 1908, between the AMERICAN MUTOSCOPE & BIOGRAPH COMPANY, a corporation organized under the laws of the State of New Jersey, and having a place of business at No. 11 East 14th Street, Borough of Manhattan, New York City, party of the first part, and WILLIAMS, BROWN & EARLE, a copartnership composed of Henry S. Williams, N. Howland Brown, and Morris Earle, doing business at No. 918 Chestnut Street, Philadelphia, Penna., party of the second part, and KLEINE OPTICAL COMPANY, a corporation organized under the laws of the State of Illinois, and having its principal place of business at Chicago, in the said State, party of the third part, and CHARLES E. DRESSLER & COMPANY, a corporation organized and existing under the laws of the State of New York, and doing business in New York City, party of the fourth part, WITNESSETH:

WHEREAS the parties of the first, second, third and fourth part hereto are all importers of Moving or Motion Picture Films, which are produced by various manufacturers in European countries, each of the said parties having certain exclusive rights to purchase for use in the United States from certain foreign manufacturers and having an established business in the sale of such imported films; and

WHEREAS the party of the first part is a manufacturer of such moving or motion picture films within the United States and a dealer in films of its own manufacture, and also a manufacturer and dealer in projecting machines such as are used for exhibiting moving or motion picture films, said projecting machines being covered by letters patent of the United States owned by said party; and

WHEREAS all the parties hereto are desirous of entering into an agreement for mutual protection of the businesses of the respective parties in films as hereinbefore described, and particularly against certain threatened patent litigation that may destroy or seriously affect such hereinbefore described businesses:

NOW, THEREFORE, in consideration of the premises, terms and conditions hereof, and in consideration of the mutual benefits to be derived from the carrying out of this agreement, and in consideration of one dollar to each of the parties by each of the

others in hand paid, and for other good and valuable considerations, the receipt of all of which is hereby acknowledged or admitted, the parties hereto have agreed, and they do hereby mutually agree and also each party does severally agree individually to and with each of the other parties, as follows:

1. The party of the first part agrees to buy and the parties of the second, third and fourth parts agree to sell, upon the terms hereinafter stated, all rights that the said parties of the second, third and fourth parts now have or may hereafter acquire, to purchase from their several respective foreign manufacturers moving or motion picture films; there being expressly reserved to the parties of the second, third and fourth parts the right to purchase such films from the party of the first part, and also the right to sell and distribute the same according to the ordinary course of their respective businesses as the same are now or may hereafter be established.

2. The party of the first part agrees to sell and the parties of the second, third and fourth parts agree to buy from the party of the first part all films covered or described in the paragraph numbered (1) hereof at a price equal to one-half ($\frac{1}{2}$) cent per lineal foot of film in advance of the prices covered by existing or future contracts between the respective parties of the second, third and fourth parts and their respective foreign principals. These provisions numbered 1 and 2 are understood and agreed to apply to all stocks of films of the parties of the second, third and fourth parts on hand on March 2nd, 1908. The terms of payment by the parties of the second, third and fourth parts to the party of the first part shall be as follows: Invoices for such advances shall be rendered by the party of the first part upon the importation of positive films, payment therefor to become due upon sale thereof by any of the parties of the second, third and fourth parts. As to stocks of positive films on hand on March 2nd, 1908, invoices for one-half ($\frac{1}{2}$) cent per lineal foot shall be rendered and payment become due on sales of such stocks. As to imported negatives, payment of one-half ($\frac{1}{2}$) cent per foot shall be made at once upon printing of positives therefrom. As to positive films made in the United States from imported negatives, invoices for one-half ($\frac{1}{2}$) cent per foot shall be made and payments become due against sales of positives.

3. The party of the first part hereby agrees to license the parties of the second, third and fourth parts to make, use and vend the motion picture films described in section 4 hereof, for use in pro-

jecting machines such as are described in the Latham United States patent No. 707934, dated August 26th, 1902, and owned or controlled by the said party of the first part, and it does so license the parties of the second, third and fourth parts, upon the terms and conditions of this agreement, or upon equally as favorable terms and conditions as are now or may hereafter be established by the said first party with reference to the use of films of its own manufacture in such projecting machines; and upon the further expressed conditions that motion picture films handled by the said parties of the second, third and fourth parts, shall be sold by them to established rental exchanges at not less than a minimum price of eleven (11) cents per lineal foot; and sold to all other customers at not less than a minimum price of fourteen (14) cents per lineal foot; or at such other prices as the party of the first part may hereafter determine and establish.

4. All the parties hereto agree that this agreement shall extend to all importations of positive and negative films from whatever producer, and to positive films therefrom printed in this country; but not in any way to negatives produced in this country or to apparatus for producing negatives.

5. The party of the first part agrees for itself that it will defend, through its own counsel and at its own expense, any and all suits for past, present and future infringement of patent or patents upon moving or motion picture films covered by this agreement that may be brought against any of the parties of the second, third and fourth parts, their customers and vendees, and hold them harmless therefrom; and it further agrees that all films covered by this agreement shall be treated equally as favorably as films of the party of the first part with respect to patents of the said first party upon projecting machines.

6. All of the parties hereto agree that the term of this agreement shall be seven years from the date hereof; and that at the end of seven years its obligations shall forthwith terminate except (1) as to pecuniary obligations incurred but not discharged at the date of expiration, and (2) in the event that there shall then be any patent infringement suit such as is specified in the paragraph numbered 5 hereof pending and undetermined at such date of expiration, in which event the obligation resting upon the party of the first part with reference to such suit shall continue so long as the payments provided for herein shall continue.

7. It is agreed by the parties of the second, third and fourth parts severally that, immediately upon the threat or actual commencement of patent litigation against them or any of their customers or vendees involving positive or negative films imported into this country or positive films printed in this country for imported negatives as alleged infringements of any patent, they will give notice thereof to the party of the first part and they will do all things necessary or desirable to enable the party of the first part to take immediate charge of such litigation in its own name and at its own expense and through its own counsel.

8. It is agreed by all the parties hereto that others situated substantially the same as the parties of the second, third and fourth parts, may be admitted to the benefits and privileges of this agreement upon terms not more favorable to such others than are herein set forth, provided that such proposed parties are handling marketable imported films or films manufactured from marketable imported negatives; and the party of the first part is empowered to enter into written agreements similar to the present one with such proposed parties, unless a majority of the parties hereto shall file written objections with the party of the first part after written notice of its intention first given.

9. The party of the first part agrees for itself that, in the event that it shall hereafter license any American manufacturer of moving or motion picture films under camera patents now owned or hereafter acquired by said party, it will impose upon such manufacturer terms not more favorable to such manufacturer as to the sale of films than are hereinbefore set forth.

10. All the parties hereto agree that any of the parties of the second, third and fourth parts may assign his, their or its interest in this agreement, in whole or in part, with the written consent of the party of the first part, and that upon such assignment this agreement shall become binding upon the assignee or assignees. All the parties hereto further agree that, in the event that the party of the first part shall become insolvent, or shall be adjudicated a bankrupt, this agreement shall thereby terminate and be at an end.

IN WITNESS WHEREOF the parties hereto have caused these presents to be executed and attested in the following manner, to wit, the American Mutoscope & Biograph Company has caused its common seal and the signatures of its President and Secretary to be hereto respectively affixed and subscribed, the copartnership of

Williams, Brown & Earle by the hands of Henry S. Williams and N. Howland Brown, two of the members of said copartnership duly authorized thereto, the Kleine Optical Company has caused its common seal and the signature of its President to be hereto respectively affixed and subscribed, and Charles E. Dressler & Company has caused its common seal and the signature of its Treasurer to be hereto respectively affixed and subscribed; all of which is done on this 18th day of February, in the year one thousand nine hundred and eight.

AMERICAN MUTOSCOPE & BIOGRAPH COMPANY.

(Seal) By (Sd.) J. J. Kennedy,
President.

Attest:

(Sd.) James A. Gausman,
Secretary.

Signed, sealed and delivered in the presence of:

(Sd.) Drury W. Cooper.

WILLIAMS, BROWN & EARLE,

By (Sd.) Henry S. Williams, (Seal)
N. Howland Brown, (Seal)

KLEINE OPTICAL COMPANY,

By (Sd.) George Kleine,
President.

CHARLES E. DRESSLER & COMPANY,

By (Sd.) George F. Bauerdorf,
Treasurer.

In presence of
(Sd.) Drury W. Cooper.

11.

MEMORANDUM OF AGREEMENT made this 21st day of March, 1908, between ARMAT MOVING PICTURE COMPANY, a corporation organized and existing under the laws of the State of West Virginia, party of the first part, and AMERICAN MUTO-SCOPE & BIOGRAPH COMPANY, a corporation organized and existing under the laws of the State of New Jersey, party of the second part,

WITNESSETH:

WHEREAS the party of the first part is the owner of certain letters patent of the United States relating to devices for projecting moving pictures, to wit:

No. 578,185, dated Mar. 2, 1897, for Vitascope, granted to Thomas Armat;

No. 580,749, dated Apr. 13, 1897, for Vitascope, granted to Thomas Armat;

No. 586,953, dated July 30, 1897, for Phantoscope, granted to Charles F. Jenkins, and Thomas Armat;

No. 588,916, dated Aug. 24, 1897, for Kinetoscope, granted to Willard G. Stewart and Ellis F. Frost;

No. 673,992, dated May 14, 1901, for Vitascope, granted to Thomas Armat, and

WHEREAS the party of the second part has heretofore been licensed by the party of the first part to use the invention of said Letters Patent No. 586,953, as evidenced by certain instruments in writing dated respectively the 19th day of February, 1904, and the 17th day of October, 1904; and also to use the invention of said letters patent No. 588,916, as evidenced by certain instruments in writing dated the 23rd day of June, 1903; both of said licenses being restricted and non-exclusive; and

WHEREAS the party of the second part is the owner of certain letters patent of the United States relating to devices for taking and projecting moving pictures, to wit:

No. 707,934, dated Aug. 26, 1902, for Projecting Kinetoscope, granted to Woodville Latham;

No. 722,382, dated Mar. 10, 1903, for Projecting Kinetoscope, granted to John A. Pross; and

WHEREAS each of the parties hereto desires to obtain for itself a license to manufacture and sell motion picture apparatus containing or embodying the inventions of the aforesaid letters patent owned by the other party or some of them, upon the terms and conditions hereinafter set forth; and

WHEREAS both parties desire that all unauthorized manufacture, use and sale of the inventions of the aforesaid letters patent and all infringement upon the said letters patent shall be made to cease;

NOW THEREFORE, in consideration of the sum of One Dollar (\$1) by each of the parties to the other in hand paid, and in consideration of the premises, terms and conditions hereof, and for other good and valuable considerations, the receipt of all of which is hereby acknowledged, the parties hereto do hereby agree as follows, to wit:

1. It is mutually agreed that the license agreements heretofore existing and above referred to with respect to letters patent numbers 586,953 and 588,916, shall be, and they are hereby, in all respects suspended during the term of the present agreement, or during the operation thereof by virtue of any prolongation or extension by the act or sufferance of the parties hereto, or their or either of their successors or assigns; and that at the end of the term of the present agreement or upon the termination or expiration of the present agreement from any cause or at any time whatsoever, the before mentioned license agreements shall forthwith come again into full force and affect the same as if the present agreement had not been made.

2. It is mutually agreed that this agreement shall be and remain in full force and affect for a period of ten (10) years from the date thereof and shall thereupon terminate, unless extended by the affirmative act of the parties hereto or by the operation of law.

3. The party of the first part hereby licenses the party of the second part, its successors and assigns, to manufacture and sell subject to the provisions of the 11th and 12th paragraphs hereof, moving picture apparatus embodying the inventions set forth in the following letters patent, or any of them, to wit:

No. 578,185, dated Mar. 2, 1897, for Vitascope, granted to Thomas Armat;

No. 580,749, dated Apr. 13, 1897, for Vitascope, granted to Thomas Armat;

No. 586,953, dated July 20, 1897, for Phantoscope, granted to Charles F. Jenkins, and Thomas Armat;

No. 588,916, dated Aug. 24, 1897, for Kinetoscope, granted to Willard G. Stewart and Ellis F. Frost;

No. 673,992, dated May 14, 1901, for Vitascope, granted to Thomas Armat.

4. The party of the second part hereby licenses the party of the first part, its successors and assigns, to manufacture and sell subject to the provisions of the 11th and 12th paragraphs hereof, moving picture apparatus embodying the inventions set forth in the following letters patent, or either of them, to wit:

No. 707,934, dated Aug. 26, 1902, for Projecting Kinetoscope, granted to Woodville Latham;

No. 722,382, dated Mar. 10, 1903, for Projecting Kinetoscope, granted to John A. Pross.

The party of the second part hereby agrees that, in granting licenses for the use of projecting machines, it will not impose restrictions as to the use of films of its manufacture, or of the manufacture of other parties, controlled by it, detrimental to the party of the first part.

5. The parties hereto severally agree that for the purpose of enforcing the payments of royalty by users of machines covered by the patents hereinbefore mentioned, or any of them, or for any other of the purposes of this agreement, they will authorize and direct their respective officers to execute and deliver the necessary papers for instituting suits for infringements, upon the written request of the other party.

6. The party of the second part agrees that it will, at its own expense, under its own direction, and through counsel acceptable to the party of the first part, and in the name of the party of the first part, prosecute actions for infringement of the patents hereinbefore described as belonging to the party of the first part; the said party of the second part reserving to itself the right to select the person or persons to be sued for infringement, the patent or patents, upon which suit is to be brought, and also reserving to itself the right to prosecute in similar manner and under similar conditions, any litigation heretofore brought by the party of the first part and pending at the date of this agreement; excepting, however, that nothing herein contained shall preclude either party from suing at its own expense any infringer without the consent of the other party,

provided written notice thereof be first given to such other party; in which event such other party may, at any time prior to the settlement or termination of such litigation, participate therein.

7. The party of the first part hereby covenants and agrees that it will grant licenses, rights, and privileges for the mutual benefits of the parties hereto under any of the patents hereinbefore described as belonging to the said party, upon the written request of the party of the second part, and not without the written consent and approval of the party of the second part. The party of the first part further covenants and agrees that it will not compromise, terminate or otherwise satisfy or settle, in whole or in part, any cause of action now existing or that may hereafter arise with reference to any of the patents hereinbefore described as belonging to the said party of the first part (whether or not such cause of action be now or hereafter the subject of litigation) except upon the written consent of the party of the second part.

8. It is mutually agreed by both of the parties that from any recoveries of damages or profits or costs from infringers; or from any payments of royalties or license fees by any one hereafter to be licensed by the party of the first part under any of the aforesaid letters patent; or by the party of the second part under any of its aforesaid letters patent; or from any payments received in settlement or any cause or causes of action against infringers of said patents; there shall be first paid to the party of the second part all the expense incurred by it in connection with the enforcement or assertion of any of the patented rights hereinbefore referred to, in the mutual interest of the parties hereto whether by the commencement and prosecution of litigation or otherwise; and to the party of the first part the sum of Twenty-three hundred dollars (\$2300.00), being part of the expense heretofore incurred by said party in a certain litigation now pending against Edison Manufacturing Company for infringement of said letters patent No. 586,953; and there shall also be paid to either of the parties any expense that it may hereafter incur in the mutual interest of the parties hereto in acquiring any outstanding interest in any of the patents now or hereafter made the subject of this agreement; and the remainder, if any, of such avails shall be equally divided between the parties hereto. It is further mutually agreed that the payments from licensees or infringers specified in this section, shall be made to the party of the second part or its nominee and that quarterly

settlements in respect thereof, shall be made between the party of the second part and the party of the first part, commencing on the 1st day of August, 1908, for the period ending July 1st, 1908, and thereafter every three months, with the usual provisions for inspection of books and keeping of account; it being understood and agreed that all litigation is to be conducted with due regard to economy, and, having in view the mutual and equal benefit of the parties hereto.

9. It is further mutually agreed by both of the parties hereto that in the event of any combination or pooling of interests with the Edison Manufacturing Company whereby the patents hereinbefore referred to are joined with the patent or patents relating to moving picture film, and to camera patent owned by said Edison Manufacturing Company and by the party of the second part hereto, the share of the party of the first part in any avails or proceeds of such combination shall be not less than one-half ($\frac{1}{2}$) as much as the share of the party of the second part hereto.

10. It is further mutually agreed by both of the parties hereto that any other patents or improvements or interests in any patents or improvements on projecting machines now owned or hereafter acquired, in whole or in part by either of the parties hereto shall forthwith become subject to this agreement, and the licenses hereinbefore given by such party shall at once upon such acquisition be made and considered to apply to such patent or improvement.

11. It is mutually and severally agreed by both of the parties hereto that a royalty equal in amount to one-half of the royalty hereafter required to be paid by others for the manufacture and sale of projecting machines, shall be paid by either party hereto that may hereafter manufacture, to the other, in full settlement of license fees hereunder, subject, however, to the following conditions: that settlements shall be made on or before the 31st day of January of each year for the business of each preceding calendar year, and that every machine sold or leased by either party shall be sold or leased upon the same terms with respect to use as shall hereafter be established by the parties for the use of projecting machines manufactured by others.

12. It is further mutually agreed by both of the parties hereto that neither party shall hereafter grant any license to manufacture, sell or use any projecting machine embodying any of the inventions hereinbefore referred to, except upon such terms and con-

ditions as shall be hereafter agreed upon by both parties hereto. It is further mutually agreed that, in the event the parties are unable to agree upon such terms and conditions, or upon any other question arising hereunder, such disagreement shall be submitted to three arbitrators, one to be selected by each party hereto and the other by the two arbitrators thus selected, whose decision shall be rendered as promptly as possible and shall be final and binding upon the parties.

13. It is mutually understood and agreed by both of the parties hereto that the provisions of this agreement shall be limited to projecting machines.

14. It is mutually understood and agreed that the provisions of this agreement shall extend to and be binding upon the successors and assigns of both parties.

IN WITNESS WHEREOF the parties hereto have caused their respective common seals to be hereunto affixed and the signatures of their respective Presidents (or Vice-Presidents) and Secretaries to be hereunto subscribed, the day and year first above written.

Signed, sealed and delivered in the presence of:

Drury W. Cooper.

ARMAT MOVING PICTURE COMPANY,

By Thos. Armat, (Seal)
President.

Attest:

Secretary.

AMERICAN MUTOSCOPE & BIOGRAPH COMPANY,

By H. N. Marvin,
Vice-President.

Attest:

James R. Gausman,
Secretary. (Seal)

12.

1. AGREEMENT made this 20th day of May, 1908, by and between the EDISON MANUFACTURING COMPANY, a corporation organized under the laws of the State of New Jersey, and having a place of business at Orange, in said State, (hereinafter referred to as the "Edison Company"), party of the first part, and the EASTMAN KODAK COMPANY, a corporation organized under the laws of the State of New York, and having a place of business in the City of Rochester, in said State, (hereinafter referred to as the "Eastman Company"), party of the second part:

2. WHEREAS, the "Edison Company" represents that it is the owner of the entire right, title and interest in and to reissued Letters Patent of the United States, dated September 30, 1902, No. 12,037, and dated January 12, 1904, No. 12,192; the original Letters Patent whereof were numbered 589,168, and dated August 31, 1897; and

3. WHEREAS, the "Edison Company" further represents that a number of manufacturers of motion pictures satisfactory in number and character to the "Eastman Company" have been licensed by it, in and by duly executed license agreements in writing which go into effect June 20, 1908, to manufacture and use, in the United States, its territories and possessions, (hereinafter referred to as the "territory aforesaid"), cameras or apparatus embodying the inventions of said reissued Letters Patent No. 12,037, and to manufacture, print, produce and sell, in the "territory aforesaid," positive motion pictures embodying the invention of said reissued Letters Patent No. 12,192, and that it may hereafter have other licensees under said Letters Patent or either of them, (said licensees which it now has or may hereafter have under said reissued Letters Patent being referred to hereinafter, for brevity, as the "Edison Licensees aforesaid"); and

4. WHEREAS, the "Edison Company" further represents that, in and by the license agreements aforesaid, the licensees named therein and also the "Edison Company," are each obligated to use exclusively, in the manufacture, in the "territory aforesaid," of motion pictures, both negative and positive, sensitized film of the present standard width of one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) or thirty-five (35) millimeters or narrower, designated in said agreements as "Licensed Film," manufactured and sold by a

film manufacturer or manufacturers under an agreement in writing with the "Edison Company," each of said license agreements further providing for the collection from the licensee named therein, by such manufacturer or manufacturers, of the following royalty or royalties for such "Licensed Film" of a width approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) purchased by said licensee during any year during the continuance of the license agreement, counting from June 20, 1908, when the license agreement takes effect, that is to say: If the shipments of such "Licensed Film" to the Licensee, on the orders of such licensee, for any such year, be four million running feet or less, a royalty of one-half ($1\frac{1}{2}$) cent per running foot on the total number of running feet for that year; if such shipments, on the orders of such licensee, of such "Licensed Film," for any such year, exceed four million running feet but do not exceed six million running feet, a royalty of four and one-half ($4\frac{1}{2}$) mills per running foot on the total number of running feet for that year; if such shipments, on the orders of such licensee, of such "Licensed Film," for any such year, exceed six million running feet but do not exceed eight million running feet, a royalty of four (4) mills per running foot on the total number of running feet for that year; if such shipments, on the orders of such licensee, of such "Licensed Film," for any such year, exceed eight million running feet but do not exceed ten million running feet, a royalty of three and three-quarter ($3\frac{3}{4}$) mills per running foot for the total number of running feet for that year and if such shipments, on the orders of such licensee, of such "Licensed Film," for any such year, exceed ten million running feet, a royalty of three and one-quarter ($3\frac{1}{4}$) mills per running foot for the total number of running feet for that year. And for "Licensed Film" narrower than approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.), the above mentioned royalties shall be reduced in proportion to the reduction in width of such narrower "Licensed Film" below the width of such "Licensed Film" of approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.); and

5. WHEREAS, the "Eastman Company" represents that it has heretofore manufactured by secret processes and embodying secret compositions and patented invention at said City of Rochester, State of New York, sensitized film (having a nitrocellulose base) suitable for use in the commercial manufacture, printing and production of negative and positive motion pictures, and has sold the same in the

"territory aforesaid" and in foreign countries, the "Edison Company" being one of its customers therefor, and has special facilities for the manufacture of such film; and

6. WHEREAS, the "Edison Company," not being a manufacturer of sensitized film suitable for use in the manufacture, printing or production of motion pictures, is desirous of availing itself of the manufacturing facilities therefor of the "Eastman Company," by having it manufacture "Licensed Film" aforesaid (having a nitrocellulose base), by its present secret processes and embodying its present secret compositions and patented invention and supply such film to it (said "Edison Company") and the "Edison Licensees aforesaid," and is also desirous of having the "Eastman Company" collect from the latter, for payment to it (said "Edison Company"), the royalties referred to in Paragraph 4 of this agreement, and to collect from the other persons, firms and corporations, as provided for in Paragraph 11, for payment to the "Edison Company," the royalties provided for in Paragraph 15;

NOW THEREFORE, the parties hereto, for and in consideration of the sum of one dollar to each paid by the other, the receipt of which is hereby acknowledged, and for other good and valuable considerations from each to the other moving, including the covenants and agreements hereinafter entered into by them, do covenant and agree as follows:

7. The "Edison Company" hereby grants to the "Eastman Company," and the latter accepts, for the term and subject to the covenants, conditions and stipulations hereinafter expressed, the sole and exclusive right and authority, for the "territory aforesaid," to manufacture the "Licensed Film" aforesaid, and also other such sensitized film suitable for the production commercially of positive and negative motion pictures, and sell such "Licensed Film" to the "Edison Licensees aforesaid," and the "Edison Company"; and such other film to other persons, firms and corporations as provided for in Paragraph 11, the right and authority hereby granted to the "Eastman Company" being sole and exclusive, even as to the "Edison Company," in the "territory aforesaid," but, except as hereinafter provided, strictly limited to the manufacture of such "Licensed Film" and such other film and the sale of such "Licensed Film" to the "Edison Licensees aforesaid" and the "Edison Company," and the sale of such other film to said other persons, firms and corporations, and not including any right, to the "Eastman Company" to manu-

facture, use or sell, in the "territory aforesaid," motion picture cameras, embodying any invention covered by said reissued Letters Patent No. 12,037, except that the "Eastman Company" may and is hereby given the right to use such motion picture cameras as it may desire for its own purposes, including film testing; and it being further provided that the right and authority hereby granted is personal to, and non-assignable or otherwise transferable in whole or in part by the "Eastman Company," which shall have no right to delegate any part thereof, or grant any right or privilege whatsoever thereunder or under either of said Letters Patent numbered 12,037 and 12,192, to any person, firm or corporation, unless the "Eastman Company" should dispose of its entire motion picture film business to a single purchaser, in which case it may assign the right and authority hereby granted to it, together with all its rights under this agreement, to such purchaser, who shall then and thereafter be recognized and dealt with by the "Edison Company" as the successor of the "Eastman Company" in the ownership of said right and authority and all other rights of the "Eastman Company" under this agreement and be entitled to all the benefits and privileges thereof; but before such purchaser shall be recognized as such assignee and successor of the "Eastman Company," said purchaser shall first agree in writing to accept, act under, and perform the covenants, stipulations and conditions of this agreement.

8. The "Edison Company" covenants and agrees to promptly notify the "Eastman Company" of the names and addresses of all the "Edison Licensees aforesaid" to whom it has granted or may hereafter grant licenses under said reissued Letters Patent numbered 12,037 and 12,192, and of the dates when their license agreements take effect, in order that the "Eastman Company" may be advised as to whom it is to sell the "Licensed Film" aforesaid, and also be able to compute the royalty referred to in Paragraph 4, and also covenants and agrees to promptly notify the "Eastman Company" of the revocation, cancellation or termination otherwise of any license agreements with the "Edison Licensees aforesaid" so that the "Eastman Company" may know that such license agreements have been terminated and discontinue the sale of such "Licensed Film" to the persons, firms or corporations named therein; it being understood that when any such license is so terminated, the licensee named therein shall cease to be one of the "Edison Licensees aforesaid" and that the "Eastman Company" shall, immediately

upon being so notified of the fact, discontinue the sale of such "Licensed Film" to such licensee.

9. The "Edison Company" further authorizes and empowers the "Eastman Company" to charge to and collect from each of the "Edison Licensees aforesaid" to whom the "Eastman Company" supplies such "Licensed Film" and pay over to it (the "Edison Company"), in the manner hereinbefore provided for, the royalties referred to in Paragraph 4 of this agreement.

10. The "Edison Company," for itself, its successors, assigns and legal representatives, hereby releases, acquits and discharges the "Eastman Company" from any and all claims, demands and liability for profits and damages because of any infringement by the "Eastman Company" of said reissued Letters Patent numbered 12,037 and 12,192, or either of them, or use of the inventions covered thereby, prior to the 20th day of June, 1908.

11. The "Eastman Company" covenants and agrees that during the continuance of this agreement it will fill all orders for the "Licensed Film" aforesaid (having a nitrocellulose base) received by it from the "Edison Company" and the "Edison Licensees aforesaid" with reasonable diligence and at the prices hereinafter provided for, if it is satisfied that they are and will be able to pay for the same, and will manufacture all such "Licensed Film" (having a nitrocellulose base) by its present secret processes and will embody therein its present secret compositions and patented invention, and that it will not, after the 20th day of June, 1908, and during the continuance of this agreement, knowingly furnish or sell, in the "territory aforesaid," except for export, as hereinafter provided for, such sensitized film for the commercial production of negative and positive motion pictures to anyone but the "Edison Company" and the "Edison Licensees aforesaid," except to the extent of two and one-half ($2\frac{1}{2}$) per cent of the total amount of such "Licensed Film" supplied to the "Edison Company" and the "Edison Licensees aforesaid" during any one year of the continuance of this agreement, which amount of a width approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) the "Eastman Company" (by and with the consent and authority of the "Edison Company" which it hereby grants) reserves the right to furnish or supply to persons not engaged in the business of manufacturing, selling, loaning, renting out or otherwise disposing of or dealing in motion pictures in the "territory aforesaid"; and with the further exception that the "East-

man Company" (by and with the consent and authority of the "Edison Company," which it hereby grants) reserves the right to manufacture and sell such sensitized film suitable for the commercial production of negative and positive motion pictures of a width not to exceed approximately three-quarters of an inch ($\frac{3}{4}$ in.) in the "territory aforesaid" to persons, firms and corporations engaged in the business of manufacturing, selling, loaning, renting out or otherwise disposing of or dealing in motion pictures in the "territory aforesaid"; and with the further express exception that the "Eastman Company" (by and with the consent and authority of the "Edison Company," which it hereby grants) reserves the right to manufacture and sell in the "territory aforesaid," such sensitized film suitable for the commercial production of negative and positive motion pictures of any width to persons, firms and corporations (not "Edison Licensees aforesaid") now having an established business of manufacturing motion pictures in any country foreign to the United States (hereinafter, for brevity, called "foreign manufacturers"), who now manufacture negative or positive motion pictures in the United States, or who may, after the date of this agreement, commence the manufacture of negative and positive motion pictures in the United States, and to sell such sensitized film to the American Mutoscope and Biograph Company, a corporation organized under the laws of the State of New Jersey, and having an office in the City, County and State of New York, its successors and assigns, of any width the latter may desire such sensitized film.

12. The "Eastman Company" further covenants and agrees that it will mark conspicuously on each box or package containing such "Licensed Film" supplied by it to the "Edison Company" and the "Edison Licensees aforesaid," the following words and figures: "Licensed Film. Licensed for use only by licensees under Letters Patent of the United States to Thomas A. Edison, reissued September 30, 1902, and January 12, 1904; original Letters Patent dated August 31, 1897."

13. It is mutually covenanted and agreed that the maximum prices to be charged by the "Eastman Company" to the "Edison Licensees aforesaid" during the continuance of this agreement, shall be three cents net per running foot for non perforated "Licensed Film" (having a nitrocellulose base) approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) or less in width, and three and one-quarter ($3\frac{1}{4}$) cents net per running foot for perforated

"Licensed Film" (having a nitrocellulose base) approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) or less in width, plus the royalties referred to in Paragraph 4 of this agreement, which are to be charged to the "Edison Licensees aforesaid"; it being further covenanted and agreed, however, that the "Eastman Company" may reduce these prices of three (3) cents and three and one-quarter ($3\frac{1}{4}$) cents, respectively, if it should consider it commercially necessary, or desirable to do so, but in no case shall it reduce the aforesaid royalties to be charged and collected by it from the "Edison Licensees aforesaid" for the "Edison Company" without the consent of the latter.

14. It is further mutually covenanted and agreed that the royalties referred to in Paragraph 4 of this agreement shall not be charged by the "Eastman Company" to the "Edison Company," but that the maximum prices to be charged by the "Eastman Company" to the "Edison Company" shall be three (3) cents net per running foot for non-perforated "Licensed Film" (having a nitrocellulose base) approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) or less in width, and three and one-quarter ($3\frac{1}{4}$) cents net per running foot for perforated "Licensed Film" (having a nitrocellulose base) approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) or less in width; provided, however, that if the "Eastman Company" should reduce its prices to the "Edison Licensees aforesaid," as provided for in Paragraph 13, it shall make a corresponding reduction in the prices charged by it to the "Edison Company" for such non-perforated and perforated "Licensed Film."

15. It is further mutually covenanted and agreed that no royalty shall be charged to or collected from the said American Mutoscope and Biograph Company on sensitized film sold to it by the "Eastman Company," but that on each sale of "Licensed Film" to the "Edison Licensees aforesaid," the "Eastman Company" shall, in the first instance, that is to say, when such "Licensed Film" approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) in width, is billed and shipped by it, charge the licensees with its price of three (3) cents or three and one-quarter ($3\frac{1}{4}$) cents, as the case may be, per running foot, plus the maximum royalty of five (5) mills per foot, referred to in Paragraph 4 of this agreement, and on the expiration of each year, counted as stated in said Paragraph 4, shall adjust the royalty account of each licensee as to "Licensed Film" so billed and shipped to them and paid for by them, according to

the royalty schedule set forth in said Paragraph 4, returning to the Licensee any amount such licensee may have overpaid, according to said schedule, and paying the balance to the "Edison Company"; and that on each sale of the other film of a width approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) to the amount of two and one-half per cent ($2\frac{1}{2}\%$) of the total amount of "Licensed Film" supplied to the "Edison Company" and the "Edison Licensees aforesaid" during any one year of the continuance of this agreement, as provided for in Paragraph 11, a royalty of one-half ($\frac{1}{2}$) cent per running foot, and which royalty the "Eastman Company" is to pay to the "Edison Company" on such film sold by it which is paid for by the purchaser thereof; and on each sale of the said other film which is not to exceed approximately three-quarters of an inch ($\frac{3}{4}$ in.) in width, as provided for in Paragraph 11, the "Eastman Company" shall include in the price charged for such film to the purchaser thereof a royalty amounting to such proportion of one-half ($\frac{1}{2}$) cent per running foot as the width of such film bears to the film approximately one and three-eighths inch ($1\frac{3}{8}$ in.) in width and which royalty the "Eastman Company" is to pay to the "Edison Company" on such film sold by it which is paid for by the purchaser thereof; such adjustment and payments to the Licensee and the "Edison Company" to be made by the "Eastman Company" within thirty days after the expiration of each such year, provided, however, that if, at the time such payment of royalties is due from the "Eastman Company" to the "Edison Company" the latter should be indebted to the former for "Licensed Film" or other supplies purchased from or furnished by the "Eastman Company" to the "Edison Company," the royalties then in the possession of the "Eastman Company" shall be applied by it on account of such indebtedness, the balance, if any, remaining over such indebtedness, to be paid by the "Eastman Company" to the "Edison Company."

It is further mutually covenanted and agreed that in case any "foreign manufacturer" aforesaid has heretofore established or shall hereafter establish the business of manufacturing and selling positive or negative motion pictures in the United States, and shall be licensed by the "Edison Company" under the aforesaid two reissued Letters Patent in and by duly executed license agreements in writing the same in all substantial respects as the license agreements referred to in Paragraph 3, then and from the time such license agreements go into effect, and the said "Eastman Company" is duly notified

thereof in writing by the "Edison Company," the "Eastman Company" shall charge to and collect from them the royalties referred to in Paragraph 4 of this agreement and pay the same to the "Edison Company" in the same manner as that provided for in this paragraph respecting the charging to and collecting from the "Edison Licensees aforesaid" of the royalties upon "Licensed Film" and paying the same to the "Edison Company." But no royalty shall be charged to or collected from any such "foreign manufacturers" for sensitized film sold to them by the "Eastman Company" unless and until they have been licensed by the "Edison Company" and the "Eastman Company" notified thereof as aforesaid.

16. The "Eastman Company" further covenants and agrees that it will keep an accurate account of all "Licensed Film" supplied by it to the "Edison Licensees aforesaid," and other film supplied to the other persons, firms and corporations as provided for in Paragraphs 11 and 15, (with the exception of the sensitized film supplied to the American Mutoscope and Biograph Company and to the "foreign manufacturers" unless and until such "foreign manufacturers" are licensed by the "Edison Company" and the "Eastman Company" is duly notified thereof, as provided for in Paragraph 15), with the names and addresses of the purchasers and the date and amount of each purchase, and that with each yearly payment of royalty as hereinbefore provided for, it will furnish the "Edison Company" with a statement in writing, verified by an officer of the "Eastman Company" having knowledge of the facts therein set forth, if the "Edison Company" shall so request, showing the total amount in running feet, of such "Licensed Film" and other film (with the exceptions aforesaid) shipped by it to all the "Edison Licensees aforesaid" and such other persons, firms and corporations and paid for by them during the preceding year; but it is further mutually covenanted and agreed that the dealings between the "Eastman Company" and each of the "Edison Licensees aforesaid," and such other persons, firms and corporations as aforesaid, shall,—insofar as the number of running feet or anything that would tend to indicate or disclose the number of running feet ordered by or shipped to them, is concerned,—be a matter of confidence, even to the exclusion of the "Edison Company," between such licensees and such other person, firm and corporation as aforesaid and the "Eastman Company," and the latter shall not be at liberty to disclose, directly or indirectly, to the "Edison Company," or to any of the "Edison

Licensees aforesaid" the number of such running feet of "Licensed Film" and such other film as aforesaid so ordered by or shipped to any of the "Edison Licensees aforesaid" or such other persons, firms and corporations as provided for in Paragraphs 11 and 15; and it is therefore further mutually covenanted and agreed that all statements and payments of royalty from the "Eastman Company" to the "Edison Company" shall be in gross, as to all of the "Edison Licensees aforesaid," and such other persons, firms and corporations, without specifying the number of running feet of "Licensed Film" or such other film so shipped to and paid for by any of them, either by a statement of the number of running feet or the amount of royalties charged to and collected from any of them for or on account thereof.

17. It is further mutually covenanted and agreed, however, that if, notwithstanding the statements made by the "Eastman Company" to the "Edison Company," the latter should be desirous of satisfying itself by having an examination made of the books of account of the "Eastman Company" as to the accuracy of the statements so made to it by the "Eastman Company," it may have such examination made of the books of account of the "Eastman Company," (so far as the same may relate to the sale by it of "Licensed Film" to the "Edison Licensees aforesaid," and such other film, (with the exceptions hereinbefore provided for) to other persons, firms and corporations as provided for in Paragraphs 11 and 15, than the "Edison Licensees aforesaid") by the public accountants, Price, Waterhouse and Company, of New York, N. Y., or any other public accountants that may hereafter be agreed upon by the "Edison Company" and the "Eastman Company."

18. It is further mutually covenanted and agreed that nothing herein contained shall interfere with or prevent the manufacture, sale or shipment by the "Eastman Company" of sensitized film suitable for the commercial production of negative or positive motion pictures, for export, without the payment of any royalty or other consideration therefor to the "Edison Company," when such film, addressed to the foreign purchaser, agent or consignee is delivered to a vessel or to a transportation company for transportation to a foreign country, and not otherwise. The "Eastman Company" covenants and agrees that it will use all reasonable efforts to prevent the reimportation of any such film sold for export, into the United States in an unexposed condition, and will not sell any such film

for export for the purpose of reimporting it into the United States in an unexposed condition.

19. It is further mutually covenanted and agreed by and between the parties hereto that this agreement shall take effect on June 20th, 1908, and unless sooner terminated as hereinafter provided, shall continue until the expiration, on August 31, 1914, of the aforesaid reissued Letters Patent numbered 12,037 and 12,192; it being provided, however, that either party hereto shall have the right at any time to terminate this agreement by giving sixty (60) days' notice in writing to the other party of its election so to do. Such termination of this agreement, however, shall not prejudice either party in the recovery of damages because of any breach, violation or non-performance thereof by the other.

20. It is further mutually covenanted and agreed that after notice of termination of this agreement by either party, as provided for in Paragraph 19, and after it is terminated, no matter what the cause or manner of termination may be, neither this agreement, nor the fact that the "Eastman Company" has entered into or acted under it shall be used in any manner, directly or indirectly, by or for the "Edison Company," its successors, assigns or legal representatives, or by or for others with its or their consent or permission, against the "Eastman Company," or its successors or legal representatives, in any litigation, controversy or proceeding involving it or them or any other persons, firms or corporations, or in any other way,—it being understood and agreed that upon such termination the positions and rights of the "Edison Company" and the "Eastman Company" shall be the same as if this agreement had not been made; provided, however, that the rights of neither party shall be prejudiced by such termination in the recovery of damages for any breach or other violation of this agreement by the other occurring prior to such termination.

21. It is further mutually covenanted and agreed that all notices provided for in this agreement shall be in writing and shall be given by delivering the same to an officer of the "Edison Company" or the "Eastman Company," as the case may be, or by depositing such notice, postage prepaid, in any Post Office of the United States in a sealed envelope directed to the "Edison Company" or the "Eastman Company," as the case may be, at its last known Post Office address, to be forwarded by registered mail.

22. It is mutually covenanted and agreed that this agreement shall bind and inure to the benefit of the "Edison Company," its successors, assigns, and legal representatives, and the "Eastman Company" and its successors as defined in Paragraph 7 of this agreement.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

EDISON MANUFACTURING COMPANY,

By Thos. A. Edison,
President.

EASTMAN KODAK COMPANY,

By George Eastman,
Treasurer.

13.

1. AGREEMENT made this 20th day of May, 1908, by and between the Edison Manufacturing Company, a corporation organized under the laws of the State of New Jersey, and having a place of business at Orange, in said State (hereinafter referred to as the "Edison Company") party of the first part, and the Eastman Kodak Company, a corporation organized under the laws of the State of New York, and having a place of business in the City of Rochester, in said State (hereinafter referred to as the "Eastman Company") party of the second part, WITNESSETH:

2. WHEREAS the parties hereto of the first and second parts have entered into an agreement in writing of even date herewith, a copy of which is hereunto annexed and marked "SCHEDULE A"; and

3. WHEREAS, the "Edison Company" is desirous, in case either party thereto should terminate such agreement, Schedule A, by giving sixty days' notice in writing of its election so to do, as provided for in paragraph 19 of said agreement, that the "Eastman Company," after such termination of such agreement shall collect from such of the persons, firms and corporations who have been licensed by the "Edison Company" under the reissued Letters Patent referred to in said agreement (hereinafter called the "Edison Company Licensees"), and whose licenses are in full force and effect at the time of such termination of such agreement and who may purchase from the "Eastman Company" sensitized film for the commercial production of positive or negative motion pictures while their licenses remain in full force and effect, the royalties provided for in paragraph 4 of said agreement, and to pay the same to the "Edison Company" in the manner hereinafter provided:

4. NOW, the parties hereto of the first and second parts do mutually covenant and agree that the "Edison Company" shall and will, after the termination of said agreement, Schedule A, as aforesaid, notify the "Eastman Company" of the names and addresses of the "Edison Company Licensees" and thereafter of the termination of any of their license agreements, and of any new "Edison Company Licensees" and their addresses, so that the "Eastman Company" may be advised as to whom it is to charge the royalty as hereinafter provided; and the "Eastman Company" shall and will fill all orders for sensitized film (with a nitrocellulose base) for the commercial

production of negative and positive motion pictures received by it from the said "Edison Company Licensees," with reasonable diligence, at prices it (the "Eastman Company") may fix, if it is satisfied that they are or will be able to pay for the same, and shall and will, in the first instance, that is to say, when such sensitized film is billed and shipped by it, charge such licensees with its price that it may fix per running foot, plus the maximum royalty of five mills per running foot, referred to in paragraph 4 of said agreement, and on the expiration of each year, counted as stated in said paragraph 4 of said agreement, shall adjust the royalty account of each licensee as to the sensitized film so billed and shipped to them and paid for by them, according to the royalty schedule set forth in said paragraph 4 of said agreement, returning to the licensee any amount such licensee may have overpaid, according to said schedule, and paying the balance to the "Edison Company"; such adjustments and payments to the Licensees and the "Edison Company" to be made by the "Eastman Company" within thirty (30) days after the expiration of each such year. PROVIDED, however, that if at the time such payment of royalty is due from the "Eastman Company" to the "Edison Company," the latter should be indebted to the former for sensitized films or other supplies purchased from or furnished by the "Eastman Company" to the "Edison Company," the royalties then in the possession of the "Eastman Company" shall be applied by it on account of such indebtedness, the balance, if any, remaining over such indebtedness to be paid by the "Eastman Company" to the "Edison Company." And the "Eastman Company" shall and will mark conspicuously on each box or package containing such sensitized film shipped by it to the "Edison Company Licensees," the following words and figures: "Licensed Film. Licensed for use only by licensees under Letters Patent of the United States to Thomas A. Edison, reissued September 30, 1902, and January 12, 1904; original Letters Patent dated August 31, 1897."

5. The "Eastman Company" further covenants and agrees that it will keep an accurate account of all sensitized film supplied by it to the "Edison Company Licensees," as aforesaid, with the names and addresses of the purchasers and the date and amount of each purchase, and that with each yearly payment of royalty as hereinbefore provided for, it will furnish the "Edison Company" with a statement in writing, verified by an officer of the "Eastman Company" having knowledge of the facts therein set forth, if the "Edison

Company" shall so request, showing the total amount in running feet of such sensitized film shipped by it to the "Edison Company Licensees" and paid for by them during the preceding year; but it is further mutually covenanted and agreed that the dealings between the "Eastman Company" and each of the "Edison Company Licensees" shall, insofar as the number of running feet, or anything that would in any way tend to indicate or disclose the number of running feet ordered by or shipped to them, is concerned, be a matter of confidence, even to the exclusion of the "Edison Company," between such licensees and the "Eastman Company" and the latter shall not be at liberty to disclose, directly or indirectly, to the "Edison Company," or to any of the "Edison Company Licensees," the number of such running feet of sensitized film ordered by or shipped to any of the "Edison Company Licensees"; and it is therefore further mutually covenanted and agreed that all settlements in payment of royalties from the "Eastman Company" to the "Edison Company" shall be in gross as to all of the "Edison Company Licensees" without specifying the number of running feet of sensitized film shipped to and paid for by any of them, either by a statement of the number of running feet or the amount of royalties charged to or collected from any of them for or on account thereof.

6. It is further mutually covenanted and agreed, however, that if, notwithstanding the statements made by the "Eastman Company" to the "Edison Company," the latter should be desirous of satisfying itself by an examination of the books of account of the "Eastman Company" as to the accuracy of the statements so made to it by the "Eastman Company," it may have such examination made of the books of account of the "Eastman Company" (so far as the same may relate to the sale by it of such sensitized film to the "Edison Company Licensees" aforesaid) by the public accountants, Price, Waterhouse & Company, of New York, N. Y., or any other public accountants that may hereafter be agreed upon by the "Edison Company" and the "Eastman Company."

7. It is further mutually covenanted and agreed by and between the parties hereto that this agreement shall take effect on the termination of said agreement in writing, Schedule A, as aforesaid, and shall continue during the time any license agreement with the "Edison Company Licensees" under the aforesaid reissued Letters Patent Nos. 12,037 and 12,192, remains in full force and effect, but

in no case shall it continue beyond August 31, 1914, the date of expiration of said reissued Letters Patent.

8. It is further mutually covenanted and agreed that nothing herein contained shall be construed as preventing the "Eastman Company" from selling, and it shall be at liberty to sell, sensitized film for the commercial production of positive or negative motion pictures for export to foreign countries and to persons, firms or corporations in the United States, its territories or possessions, other than the "Edison Company Licensees"; and that neither this agreement nor the fact that the "Eastman Company" has entered into or acted under it, shall be used in any manner, directly or indirectly, by or for the "Edison Company," its successors, assigns or legal representatives, or by or for others with its or their consent or permission against the "Eastman Company," or its successors or legal representatives, in any litigation, controversy or proceeding involving it or them, or any other persons, firms or corporations, or in any other way.

9. It is mutually covenanted and agreed that this agreement shall bind and inure to the benefit of the parties hereto and each of their successors, assigns and legal representatives.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

EDISON MANUFACTURING COMPANY,

(Sgd.) By Thos. A. Edison,
President.

EASTMAN KODAK COMPANY,

(Sgd.) By George Eastman,
Treasurer.

Attached to the foregoing Agreement, dated 20th day of May, 1908, as part thereof and marked "Schedule A," was a copy of the Agreement of even date, ante p. 47.

The two
Edison Manufacturing Company
and
Eastman Kodak Company Agreements,
dated the 20th day of May, 1908,
were terminated by agreement No. 34, post, p. 257 paragraph 25,
dated 1 January, 1909,
between
Motion Picture Patents Company,
Edison Manufacturing Company
and
Eastman Kodak Company.

14.

AGREEMENT made this twentieth day of May, 1908, by and between the EDISON MANUFACTURING COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Orange, in said State, party of the first part (hereinafter referred to as the "Licensor"), and PATHE FRERES, a corporation organized and existing under the laws of the State of New Jersey and having an office at Jersey City, in said State, party of the second part (hereinafter referred to as the "Licensee") :

WHEREAS, the Licensor represents that it is the owner of the entire right, title and interest in and to reissued Letters Patent of the United States numbered 12,037, dated September 30, 1902, and No. 12,192, dated January 12, 1904, the original Letters Patent whereof were numbered 589,168, and dated August 31, 1897, and that there are no outstanding licenses, shoprights, or other rights under said Letters Patent or either of them; and

WHEREAS, the Licensee is engaged in the manufacture and sale of motion pictures, including the printing of positive motion pictures from negative motion pictures of its own production or from negative motion pictures purchased or procured by it from the Compagnie Generale de Phonographes, Cinematographes et Appareils de Precision, of Paris, France (successor of Pathe Freres of the same place and hereinafter referred to as "said Compagnie Generale"), and the sale of positive motion pictures purchased or procured from "said Compagnie Generale" and imported by the Licensee, and, relying upon the aforesaid representations of the Licensor and induced thereby, desires to obtain from the Licensor a license under said two reissued Letters Patent numbered 12,037 and 12,192;

NOW THEREFORE, the parties hereto, for and in consideration of the sum of one dollar, to each in hand paid by the other, and for other good and valuable considerations from each to the other moving, receipt of all of which is hereby acknowledged, have agreed as follows:—

(1) The Licensor hereby grants to the Licensee, for the term and subject to the covenants, conditions and stipulations hereinafter expressed, the right and license, under said two reissued Letters Patent, for the United States, its territories and possessions (hereinafter called the "territory aforesaid"), to manufacture and use such a number of cameras or apparatus embodying the invention of said

reissued Letters Patent No. 12,037, as may be necessary for the proper conduct of its business, and to manufacture, print and produce and sell positive motion pictures embodying the invention of said reissued Letters Patent No. 12,192. The license hereby granted is personal to the Licensee and does not include the right to sell or dispose of, in the "territory aforesaid," any cameras or apparatus embodying any invention covered by said reissued Letters Patent No. 12,037; and, in the event of the permanent discontinuance or retirement from business of the Licensee, the license hereby granted shall be immediately terminated.

(2) The Licensors, for itself, its successors, assigns, and legal representatives, hereby releases, acquits and discharges the Licensee from any and all claims, demands and liability for profits and damages, because of any infringement by it, of said reissued Letters Patent numbered 12,037 and 12,192, or use by it of the inventions covered thereby or by either of said reissued Letters Patent, prior to June 20, 1908.

(3) The Licensee hereby recognizes and admits the validity of said reissued Letters Patent No. 12,037, so far as the first three claims thereof are concerned, and the validity of said reissued Letters Patent No. 12,192, and agrees that it will not contest or question the same during the continuance of this agreement.

(4) The Licensors and Licensee mutually covenant and agree that in the manufacture of motion pictures, both negative and positive, in the "territory aforesaid," during the continuance of this agreement, they will use exclusively sensitized film approximately one and three-eighths ($1\frac{3}{8}$) inch, or thirty-five (35) millimeters in width, or narrower, manufactured and sold in the United States by a manufacturer or manufacturers who by an agreement with the Licensors, as hereinafter provided, will collect and pay to the Licensors royalties on such sensitized film, and hereinafter called "Licensed Film," and that they will not, in the "territory aforesaid," purchase or otherwise acquire or sell or otherwise dispose of or deal in, motion pictures produced on or by the use of any other film than such "Licensed Film," nor sell or otherwise dispose of any negative motion pictures; it being covenanted and agreed, however, that the Licensee shall nevertheless have the right to obtain from the "said Compagnie Generale" (with which it has business relations), and import into the "territory aforesaid," such negative motion pictures (with a single corresponding positive motion picture or print of each) and such

colored positive motion pictures (when two or more colors are used thereon), produced by "said Compagnie Generale," as the Licensee may desire, and also all such positive motion pictures produced by "said Compagnie Generale" from negative motion pictures made prior to June, 1908, and for which the Licensee has no negative in the United States, and all such positive motion pictures produced by "said Compagnie Generale" from any negative motion picture made by it after June 20th, 1908, of which "said Compagnie Generale" has no duplicate (because for commercial or other reasons it has been impracticable or too difficult for it to make a duplicate negative) as the Licensee may need to fill orders therefor, but not otherwise, and to sell all such positive motion pictures in the "territory aforesaid," and to use said negative motion pictures so obtained and imported, in the manufacture of positive motion pictures from such "Licensed Film" for sale in the "territory aforesaid" or for export, without the payment therefor directly or indirectly of any royalty or other consideration to the Licensor.

The Licensor and Licensee further mutually covenant and agree that in case of the complete or partial destruction by fire of the buildings in the United States in which the Licensee prints or produces its positive motion pictures, or in case the apparatus used in printing or producing such motion pictures is wholly or partially rendered useless through no fault of its own, and such Licensee is therefore unable from either cause to fill its orders for such positive motion pictures, it shall have the right to obtain from "said Compagnie Generale" and import into the "territory aforesaid" and sell therein, without the payment therefor, directly or indirectly, of any royalty or other consideration to the Licensor, all such positive motion pictures produced by "said Compagnie Generale" as the Licensee may need to fill its orders therefor, until it has repaired or rebuilt such buildings and repaired or replaced such apparatus, which it agrees to do with all reasonable despatch

The Licensor further covenants and agrees that it will, in an agreement in writing with each manufacturer of "Licensed Film," obligate such manufacturer, so long as the latter has the exclusive right to make and sell such "Licensed Film," not to knowingly furnish or sell, in the "territory aforesaid" except for export, sensitized film for the commercial production of negative and positive motion pictures to any one but the Licensor and its Licensees under said re-issued Letters Patent numbered 12,037 and 12,192, except to the

extent of $2\frac{1}{2}\%$ of the total amount of such "Licensed Film" of a width approximately one and three-eighths inch ($1\frac{3}{8}$ in.) or thirty-five (35) millimeters, or narrower, supplied by such manufacturer to the Licensor and said Licensees during any one year during the continuance of such agreement, which amount such manufacturer shall have the right to furnish or sell, in the "territory aforesaid," to persons not engaged in the business of manufacturing, selling, loaning, renting out, or otherwise disposing of or dealing in motion pictures in the "territory aforesaid," and with the further exception that such manufacturer may also reserve the right to manufacture and sell sensitized film suitable for the commercial production of negative and positive motion pictures, of a width not to exceed approximately three-quarters of an inch ($\frac{3}{4}$ in.) in the "territory aforesaid" to persons, firms and corporations engaged in the business of manufacturing, selling, loaning, renting out or otherwise disposing of or dealing in motion pictures in the "territory aforesaid;" and with the further exception that such manufacturer may also reserve the right to manufacture and sell in the "territory aforesaid" such sensitized film suitable for the commercial production of negative and positive motion pictures of any width, to persons, firms and corporations now having an established business of manufacturing motion pictures in any country foreign to the United States, who now manufacture negative and positive motion pictures in the United States, or who may after the date of this agreement commence the manufacture of negative or positive motion pictures in the United States, and to sell such sensitized film to the American Mutoscope and Biograph Company, a corporation organized under the laws of the State of New Jersey and having an office in the City, County and State of New York, its successors and assigns, of any width desired of such sensitized film.

The Licensor further covenants and agrees that the royalties which it will charge to and receive from the Licensee for "Licensed Film" (which are to be included by the manufacturer or manufacturers in the prices charged for "Licensed Film" to the Licensee and paid over to the Licensor) shall not, for "Licensed Film" of a width approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) or thirty-five (35) millimeters, purchased by the Licensee during any year during the continuance of this agreement, counting from the date when it takes effect as hereinafter provided, exceed the following rates, that is to say:—

If the shipments of such "Licensed Film" to the Licensee, on its orders, for any such year, be four million running feet or less, a royalty of one-half ($\frac{1}{2}$) cent per running foot on the total number of feet for that year; if such shipments, on its orders, of such "Licensed Film," for any such year, exceed four million running feet but do not exceed six million running feet, a royalty of four and one-half ($4\frac{1}{2}$) mills per running foot on the total number of running feet for that year; if such shipments, on its orders, of such "Licensed Film," for any such year, exceed six million running feet but do not exceed eight million running feet, a royalty of four (4) mills per running foot on the total number of running feet for that year; if such shipments, on its orders, of such "Licensed Film," for any such year, exceed eight million running feet but do not exceed ten million running feet, a royalty of three and three-quarters ($3\frac{3}{4}$) mills per running foot on the total number of running feet for that year; and if such shipments, on its orders, of such "Licensed Film," for any such year, exceed ten million running feet, a royalty of three and one-quarter ($3\frac{1}{4}$) mills per running foot on the total number of running feet for that year. And for "Licensed Film" narrower than approximately one and three-eighths ($1\frac{3}{8}$ in.) inch, or thirty-five (35) millimeters, the above mentioned royalties shall be reduced in proportion to the reduction in width of such narrower "Licensed Film" below the width of such "Licensed Film" of approximately one and three-eighths ($1\frac{3}{8}$ in.) inch or thirty-five (35) millimeters.

The Licensor and Licensee further mutually covenant and agree that the manufacturer of such "Licensed Film" shall in the first instance, that is to say, when such film is billed and shipped by it, charge the Licensee with its price per running foot plus the maximum royalty aforesaid, and on the expiration of each year, counting from the 20th day of June, 1908, shall adjust the royalty account of the Licensee, as to "Licensed Film," so billed and shipped to it and paid for by it, according to the royalty schedule aforesaid, returning to the Licensee any amount it shall have overpaid, according to said schedule, and paying the balance to the Licensor.

The Licensor further agrees that the dealings between the Licensee and the authorized manufacturer or manufacturers from whom the Licensee purchases such "Licensed Film," shall, insofar as the number of running feet ordered by or shipped to the Licensee or anything that would indicate or disclose the number of such feet is concerned, be a matter of confidence between the Licensee and

such manufacturer or manufacturers, who shall not be at liberty to disclose, and moreover shall be bound in writing not to disclose, directly or indirectly, to the Licensor or any other Licensee under the Letters Patent or either of them hereinbefore referred to, the number of such feet of "Licensed Film" so ordered by or shipped to the Licensee; the Licensor further agreeing to so arrange or provide for the reports and royalty payments to be made to it by such manufacturer or manufacturers that the latter shall make such reports and royalty payments in gross, as to all of the Licensees to whom shipments of such "Licensed Film" are made, and without specifying the number of running feet of "Licensed Film" so shipped to any of them, either by a statement of the number of such feet or the amount of royalties paid or to be paid by such manufacturer or manufacturers for or on account thereof

The Licensor represents that it has made an agreement in writing with the Eastman Kodak Company, of Rochester, New York, to take effect June 20, 1908, under which the Latter has the exclusive right to make and sell such "Licensed Film," from whom the Licensee may purchase the same, and it covenants and agrees that if said Eastman Kodak Company should for any reason cease to have the exclusive right to make and sell such "Licensed Film" such Licensee shall nevertheless have the privilege of continuing to purchase such "Licensed Film" from said Eastman Kodak Company, or, as it may elect, of purchasing the same from another manufacturer to be selected and designated by the Licensee, subject, however, to the making of reports and payments of royalties as aforesaid by said Eastman Kodak Company or such other manufacturer to the Licensor.

(5) The Licensor and Licensee further mutually covenant and agree not to sell or otherwise dispose of or offer for sale, in the "territory aforesaid," unexposed positive or negative "Licensed Film" during the continuance of this agreement; but this provision shall not prevent either party from selling as refuse, in the "territory aforesaid," second hand positive or negative motion pictures or motion pictures which have been used or become shop-worn or in any way damaged, to a manufacturer or manufacturers of "Licensed Film," or to a manufacturer to manufacture other articles than film therefrom, but only after they have been rendered by the Licensor or the Licensee unsuitable for use as motion pictures by cutting or otherwise defacing them, or from selling exposed positive or negative

film (either waste or in rolls) known as "Blank film" for use by dealers, renters, or exhibitors for leaders or for spacing or for similar purposes, but which shall not and cannot be otherwise employed for the exhibition of motion pictures.

(6) The Licensor and Licensee further mutually covenant and agree not to loan, rent out, sell or offer for sale, or otherwise dispose of, in the "territory aforesaid," motion pictures to anyone purchasing or otherwise obtaining, using, loaning, renting out, selling, offering for sale, or otherwise disposing of or dealing in, non-licensed motion pictures.

(7) The Licensee agrees to mark each and every camera or apparatus embodying the invention of reissued Letters Patent No. 12,037, which it may make or use under this agreement, with the following words and figures:

"Patented August 31, 1897;
reissued September 30th, 1902."

and the Licensor and Licensee each agrees to mark conspicuously on the labels which shall be placed on boxes or packages containing positive motion pictures manufactured by the Licensor or Licensee in the "territory aforesaid," or imported as aforesaid into the "territory aforesaid," by the Licensee, with the following words and figures:

"LICENSED MOTION PICTURE.

(Patented in the United States August 31, 1897;
reissued January 12, 1904.)

The enclosed motion picture is sold upon the following terms and conditions:

(1) That the purchaser shall not sell or otherwise dispose of the same outright, but shall have the right to rent out such motion picture;

(2) That the purchaser shall not rent out such motion picture or any other motion picture licensed under the above reissued patent for use in giving motion picture exhibitions at a lower rental price, directly or indirectly, than that agreed upon in the contract of sale between the purchaser and the vendor of this picture;

(3) That the purchaser or user thereof shall not make any reproduction commonly known as a "dupe" of such motion picture or of any other motion picture licensed under the above reissued patent;

(4) That the purchaser or user thereof shall not remove the trade mark or trade name or title therefrom."

(8) The Licensor and Licensee further mutually covenant and agree not to use, in the production of negative or positive motion pictures under this agreement, the negative or positive motion pictures, or reproductions commonly known as "duplicates," of the negative or positive motion pictures of each other or of any other manufacturer or person, firm or corporation located either in the "territory aforesaid" or in any foreign country, whether the same have or have not been copyrighted in the "territory aforesaid" or in any foreign country, (except that the Licensee shall have permission to do so to the extent provided for in Paragraph 4 of this agreement).

(9) The Licensor has established the following scale of minimum prices (which the Licensee admits is a fair and reasonable one) for the sale of positive motion pictures in the United States, and its territories, (with the exception of its insular possessions and Alaska) hereinafter called the "sales territory aforesaid," except those for export and as otherwise provided for hereinafter, embodying the invention of said reissued Letters Patent No. 12,192:

List	12	cents per running foot.
Standing order 1 print.....	11½	" " " "
" " 2 prints.....	11	" " " "
" " 3 prints.....	10½	" " " "
" " 5 prints.....	10	" " " "
" " 7 prints and over....	9½	" " " "

The Licensor and Licensee further mutually covenant and agree that the above scale of minimum prices is to remain in force until a new scale of prices is adopted, each new scale to be adopted, during the continuance of this agreement, by a plurality vote of the Licensor and the Licensee and the several additional Licensees hereinafter provided for, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects placed on sale in the "territory aforesaid" by each Licensee and the Licensor during the year preceding the taking of such vote; and

they further covenant and agree that any changes which may hereafter be so made in said scale of prices, and of which the Licensee shall be notified in writing by the Licensor shall be accepted and adopted by the Licensor and Licensee in the place and stead of the scale of prices above given or of any substitute or substitutes therefor adopted prior to such change. It is, however, expressly mutually covenanted and agreed that in no case shall such new scale of prices, either list or standing order, be less than nine (9) cents per running foot.

By the expression "running feet of new subjects" above referred to, and hereafter used, the parties hereto mean the aggregate amount ascertained by adding together the individual number of running feet of one print of each and every new motion picture regularly listed and placed on sale, and irrespective of the number of prints of any subject which may be sold.

The Licensor and Licensee further mutually covenant and agree that in case, during the continuance of this agreement, there should be for any reason only three such licensees, then and in such case, the Licensor may adopt a minimum scale of prices in the place and stead of the minimum scale of prices above given or of any substitute or substitutes therefor adopted in the manner above provided, which, however, shall in no case be above the minimum scale of prices that may be in force at the time the Licensor adopts the said new minimum scale of prices, which said new minimum scale of prices shall be binding upon the Licensee, but only after receiving notice thereof in writing from the Licensor.

(10) The Licensor and Licensee further mutually covenant and agree that an order in the "sales territory aforesaid," except for export, for one or more positive motion pictures of each and every new subject made by the parties hereto, when placed on sale in the regular order of business, shall constitute a "standing order" within the meaning of the scale of prices aforesaid or any substitute therefor hereafter adopted, said standing order to remain in force for not less than fourteen (14) consecutive days; and the parties hereto further covenant and agree that the minimum price at which any additional positive motion pictures shall be sold, in the "sales territory aforesaid," except for export, subsequent to the filling of a standing order, shall be the same per running foot as the pictures furnished on such standing order. All positive motion pictures which may be hereafter sold in the "Sales territory aforesaid," except

for export, to persons not having a standing order, as above defined, shall in every case be sold at not less than the "List" price mentioned in said scale of prices or any substitute therefor hereafter adopted, except as provided for in Paragraph 12 as to "special motion pictures."

(11) The Licensor and the Licensee further mutually covenant and agree that positive motion pictures made by or for them and unsold prior to June 20, 1908, shall be subject to the scale of prices aforesaid and shall be sold in the "Sales territory aforesaid," except those for export, at not less than the prices fixed in said scale for positive motion pictures as provided for in Paragraphs 9 and 10.

(12) It is further mutually covenanted and agreed by the Licensor and Licensee that in the case of so-called "special motion pictures,"—where it is agreed, by the Licensor or Licensee, as the case may be, that the negative shall be the exclusive property of the person ordering the same, although remaining in the care and custody of the Licensor or Licensee, and where positive prints therefrom shall be made from time to time on the order of such person,—the price to be paid for the making of such negative in the "territory aforesaid" shall not be less than one dollar (\$1.00) per running foot, and that the price at which positive prints therefrom shall be sold in the "territory aforesaid," except for export, shall not be less than fifteen (15) cents per running foot.

(13) The Licensor and the Licensee further mutually covenant and agree not to sell motion pictures, in the "sales territory aforesaid," under any circumstances, either directly or indirectly, during the continuance of this agreement, at lower prices than those fixed and established as provided for in Paragraphs 9, 10, 11 and 12, except for export.

(14) It is further mutually covenanted and agreed by the Licensor and the Licensee that the prices above referred to in Paragraphs 9, 10, 11 and 12, or any substitutes for the same hereafter adopted, shall not apply to sales or shipments of motion pictures made *bona fide* for export, when the goods, addressed to the foreign purchaser, agent or consignee, are delivered to the vessel or to a transportation company for transportation to a foreign country, and not otherwise. By export sales, the parties hereto include all sales for delivery outside of the "sales territory aforesaid."

The Licensor and Licensee further mutually covenant and agree

that in no case shall export sales of motion pictures be knowingly made by them to persons, firms or corporations who such Licensor and Licensee have reason to believe will reimport them for sale into the "sales territory aforesaid."

(15) The Licensor and Licensee further mutually covenant and agree that, except as provided for in Paragraph 5, they will not sell or offer for sale, in the "territory aforesaid," at reduced prices, second-hand motion pictures or motion pictures which have been used or which have become shop-worn or in any way damaged.

(16) The Licensor and Licensee further mutually covenant and agree that in the "sales territory aforesaid" all sales of positive motion pictures, except for export, shall be net sales without the allowance of any discounts or rebates or other reduction by which a purchaser might acquire positive motion pictures at lower prices than those set forth in Paragraphs 9, 10, 11 and 12, or any substitutes therefor hereafter adopted, (provided, however, that in any case 2% discount may be allowed for cash) and that they will not dispose of such positive motion pictures as premiums, or by lottery, or raffle, or any game of chance, or in any way whereby they may be acquired directly or indirectly for less than the prices set forth in Paragraphs 9, 10, 11 and 12 or substitutes therefor.

The Licensor and Licensee further mutually covenant and agree that, in the "sales territory aforesaid" they will not sell or offer for sale other goods or merchandise at less than current prices in order to induce the sale of positive motion pictures, nor present or donate other goods or merchandise or prizes, or make use of credit cards or trading stamps, or offer any premium of any kind whatsoever, to induce the sale of such positive motion pictures.

(17) It is further mutually covenanted and agreed by and between the Licensor and Licensee that, except for export, no sales of positive motion pictures shall be made in the "sales territory aforesaid" by the Licensor or Licensee, except upon and subject to the following terms and conditions, the substance of which (with the exception of the conditions as to the return of positive motion pictures hereinafter referred to) shall be expressed in a printed notice on the labels, as provided for in Paragraph 7, accompanying each positive motion picture; namely that the purchaser of such positive motion picture shall not sell or otherwise dispose of the same outright, but shall only have the right to use such positive motion picture in giving moving picture exhibitions, or to rent out

such positive motion picture, and that the purchaser shall not make any reproduction commonly known as a "dupe" of such positive motion picture or of any other positive motion picture licensed under reissued Letters Patent No. 12,192, or rent out the same or any other positive motion picture licensed under reissued Letters Patent No. 12,192, for use in giving moving picture exhibitions at a lower rental price directly or indirectly than that prescribed by the Licensor or the Licensee, as the case may be, at the time of the sale of such motion picture; and that the purchaser of such positive motion picture shall not remove the trade mark or trade name or title therefrom, and that the purchaser shall return to the Licensor or Licensee as the case may be from whom such positive motion pictures have been purchased (without any payment therefor except the transportation charges incident to the return of the same) on the first day of every month, beginning with August first, 1908, an amount of positive motion pictures in running feet (not purchased over six months before) and of the make of the Licensor or Licensee, as the case may be, to whom it is returned, equal to the amount that was so purchased during the sixth month preceding the date of each such return; with the exception, however, that where any such positive motion pictures are destroyed by fire or lost in transportation, and proof satisfactory to the Licensor or Licensee as the case may be is furnished as to such destruction or loss, the amount so destroyed or lost shall be deducted from the amount to be returned, as aforesaid.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that the rental price aforesaid for renting out of licensed positive motion pictures shall be fixed as soon after the date of the execution of this agreement as is practicable, (and which may be changed in the same manner during the continuance of this agreement, as may also any or all of the terms and conditions recited in this paragraph), by a plurality vote of the Licensor and Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects placed on sale in the "territory aforesaid" by each licensee and the Licensor during the year preceding the taking of such vote.

(18) The Licensor and Licensee further mutually covenant and agree that in the "sales territory aforesaid" they will dispose of the positive motion pictures manufactured, printed, produced or

imported by them, only by the sale thereof, or by shipment thereof abroad, (including the insular possessions of the United States and Alaska) and will not dispose of the same by loaning or renting them to others, nor use them for the purpose of giving exhibitions thereof for profit directly or indirectly; it being expressly understood and agreed, however, that they shall be at liberty to give exhibitions of such positive motion pictures without profit, directly or indirectly, and to possible or prospective purchasers thereof.

(19) The Licensor further covenants and agrees that it will, during the continuance of this agreement, protect, as far as possible, the Licensee against the competition of infringers of said reissued Letters Patent numbered 12,037 and 12,192, and each of them, and that when it is notified or otherwise obtains knowledge of any such infringements, it will promptly institute suits against such infringers and thereafter diligently prosecute the same to final hearing and decision; all expense connected with the institution and prosecution of such suits to be borne by the Licensor, which shall also be entitled to receive and apply to its own use all recoveries had therein for damages and profits.

The Licensor and Licensee further mutually covenant and agree that if said reissued Letters Patent numbered 12,037 and 12,192, or either of the claims of the latter or any of claims 1, 2 and 3 of the former, should be held to be invalid by a court of last resort, or not to be infringed, in any suit on said Letters Patent, then, and in such case, the Licensee may at once terminate this agreement and the license thereby granted, by giving notice of its election so to do to the Licensor.

The Licensor and Licensee further mutually covenant and agree that the Licensor may, at its own expense (except as hereinafter provided), during the continuance of this agreement, institute and prosecute suits against any Licensee under said reissued Letters Patent numbered 12,037 and 12,192 for any breach or violation on the part of such Licensee of the covenants respecting prices at which positive motion pictures shall be sold in the "sales territory aforesaid" and also for violation of any of the other terms, conditions or stipulations entered into by such Licensee; that the Licensor shall at the end of each year, counting from the 20th day of June, 1908, render to the Licensee and the other licensees hereinbefore provided for, a statement in writing showing in detail all legal expenses incurred by it during such year in the prosecution of

such suit or suits; and that, up to but not exceeding the sum of Twenty Thousand (\$20,000) Dollars for any such year, all such legal expenses, insofar as they may be reasonable and proper, shall be borne and paid by the Licensor, the Licensee and the several additional licensees hereinafter provided for *pro rata* according to the number of thousand running feet of new subjects placed on sale by each relatively to the total number of thousand running feet of new subjects placed on sale by all in the "territory aforesaid" during the year preceding the rendition of such statement, any legal expenses in excess of said Twenty Thousand (\$20,000) Dollars during any such year to be borne and paid by the Licensor unless the Licensor and the Licensee and the several additional licensees should hereafter mutually agree otherwise.

(20) It is mutually covenanted and agreed by and between the Licensor and Licensee that the Licensor may grant other Licenses, under said reissued Letters Patent numbered 12,037 and 12,192, said licenses to be in writing and not to exceed six in number (except by a plurality vote of the Licensor and the Licensee and the six other licensees or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects placed on sale in the "territory aforesaid" by such licensees during the year preceding the taking of such vote), and not to be granted or continued upon terms, conditions or stipulations which are in any respect more favorable to the licensees named therein than those set forth in this agreement, provided, however, that if any of such additional six licenses should be terminated, during the continuance of this agreement, then and in each such case the Licensor may grant a license to some other motion picture manufacturer but not on terms, conditions or stipulations which are more favorable as to such new licensee than those set forth in this agreement, it being the intent and purpose of the Licensor and Licensee that the Licensor shall have the privilege of having six outstanding licenses under said reissued Letters Patent numbered 12,037 and 12,192, in addition to that granted to the Licensee.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that in case the Licensor should be notified by the Licensee or it should otherwise come to its knowledge that any such additional licensee has knowingly or through gross neglect or carelessness broken, violated or failed to perform any of the terms, conditions or stipulations of the license granted by the Licensor,

resulting in substantial injury to the Licensor or the Licensee or the additional licensees aforesaid, the Licensor will promptly notify such licensee in writing of such breach, violation or non-performance, and if such licensee should, for a period of forty (40) days after such notice persist in or fail to correct, repair or remedy the same, the Licensor shall at once terminate the license to such licensee; and that in case any such licensee should be guilty of a second grossly neglectful, careless or knowing breach, violation or non-performance of such terms, conditions or stipulations, resulting in substantial injury to the Licensor or the Licensee or the additional licensees aforesaid, then, and in such case, the Licensor shall terminate the license to such licensee by giving the latter thirty (30) days' notice in writing of its intention so to do.

(21) It is mutually covenanted and agreed by and between the Licensor and Licensee that unless sooner terminated, as hereinbefore or hereinafter provided, this agreement and the license granted thereby shall take effect June 20, 1908, and shall continue for the term of two years from said date, but that the Licensee may renew this agreement and license thereafter from year to year upon the same terms, conditions and stipulations as herein provided, by giving notice to the Licensor on or before April 20, in each year, beginning with the year 1910, of its election to so renew this agreement and license, and upon the giving of each such notice this agreement and the license thereby granted shall be considered and treated by the Licensor and Licensee as renewed for the period of one year beginning June 20, of the year following such notice, except that the last renewal shall be for the period from June 20, 1914, to August 31, 1914, but in no case shall this agreement or license be continued beyond August 31, 1914, the date of expiration of the reissued Letters Patent numbered 12,037 and 12,192.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that if, during said original term or during any such renewal period, either party should, knowingly or through gross neglect, or carelessness, be guilty of a breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party and should for the period of forty days after notice thereof from the other party persist therein or fail to correct, repair or remedy the same, then and in such case the party aggrieved may terminate this agreement by giving notice in writing of its intention so to do to the guilty party.

It is, however, mutually covenanted and agreed by and between the Licensor and Licensee that if the guilty party should correct, repair or remedy such breach, violation or non-performance of its covenants, conditions and stipulations within the said period of forty (40) days after such notice, and should thereafter knowingly or through gross neglect or carelessness be guilty of a second breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, then and in such case the party aggrieved may terminate this agreement by giving thirty (30) days' notice in writing to the guilty party of its intention so to do. Such termination of the agreement, however, shall not prejudice either party hereto in the recovery of damages because of any such breach, violation or non-performance by the other party hereto.

(22) All notices provided for in this agreement shall be in writing and shall be given by delivering the same to the Licensor or Licensee, as the case may be, or to an officer of the Licensor or Licensee, as the case may be, or by depositing such notice, postage prepaid, in any Post Office of the United States, in a sealed envelope directed to the Licensor or Licensee, as the case may be, at its last known Post Office address, to be forwarded by registered mail.

(23) It is mutually covenanted and agreed by and between the Licensor and Licensee that after notice of the termination of this agreement and the license granted thereby by either party, as provided for in Paragraph 21 of this agreement, and after the same have been terminated, no matter what the cause or manner of termination may be, neither this license agreement, nor the fact that the Licensee has entered into or acted under it, shall be used in any manner, directly or indirectly, by or for the Licensor, its successors, assigns or legal representatives, or by or for others with its or their consent or permission, against the Licensee, or its successors or legal representatives, in any litigation, controversy or proceeding involving it or them or any other persons, firms or corporations, or in any other way,—it being understood and agreed that upon such termination the positions and rights of the Licensor and Licensee shall be the same as if this agreement had not been made; provided, however, that the rights of neither party shall be prejudiced by such termination in the recovery of damages for any breach or other violation of this agreement by the other occurring prior to such termination.

(24) It is mutually covenanted and agreed that this agreement shall bind and inure to the benefit of the Licensor, its successors, assigns and legal representatives.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

EDISON MANUFACTURING COMPANY,

(Signed) By Thomas A. Edison,
President.

PATHE FRERES,

(Signed) By Jacques A. Berst,
Assistant Treasurer.

15.

EDISON MANUFACTURING COMPANY

Orange, N. J.

December 1, 1908.

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This is to formally notify you that Paragraph 15 of your agreement with the Edison Manufacturing Company, covering the purchase and sale of licensed motion pictures will be altered by the insertion after the word "purchaser" (second line, first occurrence), of the words "that the vendor may terminate the present agreement on ten days' written notice to the purchaser of its intention so to do, and," so that the whole clause will then read as follows:

"15. IT IS UNDERSTOOD AND SPECIFICALLY COVENANTED by the purchaser that the vendor may terminate the present agreement on ten days' written notice to the purchaser of its intention so to do, and that if the purchaser shall fail to faithfully keep and perform the foregoing terms and conditions of sale, or any of them, or shall fail to pay for any goods supplied by the vendor within the time prescribed for such payment, the vendor shall thereupon have the right to refuse to supply the purchaser with any further goods and shall also have the right to place the purchaser's name on an appropriate suspended list, which the vendor may publish and distribute to its customers, associates and the several licensed manufacturers under said reissued Letters Patent, and the vendor shall also have the right in such case to immediately terminate the present agreement, without prejudice to the vendor's right to sue for and recover any damages which may have been suffered by such breach or non-compliance with the terms and conditions hereof by the purchaser."

This notice is given in accordance with Paragraph 16 of the said agreement.

EDISON MANUFACTURING COMPANY,

By.....

Vice-President.

16.

AGREEMENT made this 18th day of December, 1908, by and between the MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office in Jersey City, in said State, (hereinafter referred to as the "PATENTS COMPANY"), party of the first part, and the ARMAT MOVING PICTURE COMPANY, a corporation organized and existing under the laws of the State of West Virginia, and having an office at Washington, District of Columbia, (hereinafter referred to as the "ARMAT COMPANY"), party of the second part:

(1) WHEREAS, the Armat Company represents that it is the owner of all the right, title and interest in and to Letters Patent of the United States:

No. 578,185, dated March 2, 1897, for VITASCOPE, granted to Thomas Armat;

No. 580,749, dated April 13, 1897, for VITASCOPE, granted to Thomas Armat;

No. 586,953, dated July 20, 1897, for PHANTOSCOPE, granted to Charles F. Jenkins and Thomas Armat;

No. 588,916, dated August 24, 1897, for KINETOSCOPE, granted to Charles M. Campbell, as the assignee of Willard G. Steward and Ellis F. Frost; and

No. 673,992, dated May 14, 1901, for VITASCOPE, granted to Thomas Armat;

all of which relates to the moving picture art and that there are no outstanding licenses under any or all of said Letters Patent other than the license for Parlor Kinetoscopes, granted to the Karmata Company of Washington, D. C., under Letters Patent Nos. 578,185, 580,749, 586,953 and 673,992; certain licenses granted to the American Mutoscope & Biograph Company, a corporation of New Jersey, (hereinafter referred to as the "BIOGRAPH COMPANY"), under each and all of the said Letters Patent, and certain alleged licenses under the said Letters Patent No. 586,953, which are in dispute, claimed to be owned by the Edison Manufacturing Company, a corporation of New Jersey (hereinafter referred to as the "EDISON COMPANY"), and the American Graphophone Company of Washington, D. C., and S. Lubia of Philadelphia; and

(2) WHEREAS, the Armat Company is willing to assign to the Patents Company all of its right, title and interest in and to the said Letters Patent of the United States, in consideration of the payment to the Armat Company of one dollar (\$1.00), and of the covenants of the Patents Company in this agreement; and

(3) WHEREAS, the Board of Directors of the Patents Company has ascertained, adjudged and declared, that the said right, title and interest are of the fair value of one dollar (\$1.00) and of the sums which may be paid to the Armat Company under this agreement, and the acquisition thereof is necessary for the business of the Patents Company and to carry out its contemplated objects; and

(4) WHEREAS, the Patents Company represents that it has acquired or will acquire from the Vitagraph Company of America, of New York, all the right, title and interest in and to United States Letters Patent Nos. 673,329, 744,251, 770,937, 771,280, 785,205, and 785,237, (hereinafter referred to as the "Vitagraph Patents"), all of which relate to motion picture projecting machines, and has agreed to pay to the said Vitagraph Company of America, a royalty of one dollar (\$1.00) on each projecting machine embodying one or more of the inventions described and claimed in the said Vitagraph Patents made and sold under any licenses for the manufacture and sale of such projecting machines, granted by the Patents Company, (said royalties being hereinafter referred to as "Vitagraph Royalties"), and also further represents that it has acquired or will acquire from the Biograph Company, all of the right, title and interest in and to United States Letters Patent Nos. 629,063, 707,934 and 722,382, all of which relate to motion picture projecting machines, and also further represents that it has acquired or will acquire from the Edison Company, all the right, title and interest in and to reissued United States Letters Patent Nos. 12,037 and 12,192, said reissued Letters Patent relating to motion picture cameras and films; and

(5) WHEREAS, the Patents Company represents that it contemplates deriving royalties under patents covering projecting machines owned by the Patents Company from manufacturers of projecting machines (hereafter referred to as "machine royalties"); royalties from exhibitors for the use of projecting machines licensed under any or all of the patents covering projecting machines owned by the Patents Company, (hereinafter referred to as "exhibitors

royalties"); and royalties derived from manufacturers and importers of motion pictures under said reissued United States Letters Patent Nos. 12,037 and 12,192, (hereinafter referred to as "film royalties"); and

(6) WHEREAS, the Patents Company has agreed to pay to the manufacturers and importers of licensed motion pictures, except the Biograph Company and the Edison Company, 24 per cent. (24%) of the gross exhibitors royalties;

NOW, THEREFORE, THIS INDENTURE WITNESSETH THAT:

(7) The Armat Company in and by these presents, for and in consideration of the sum of one dollar (\$1.00), receipt of which is hereby acknowledged, and of the covenants of the Patents Company, in this agreement, does agree to assign, transfer and set over unto the Patents Company, and its successors in business, the entire right, title and interest in and to the said United States Letters Patent Nos. 578,185, 580,749, 586,953, 588,916 and 673,992, and the inventions described and claimed therein, and the right to sue for and recover damages and profits for past infringement of the said Letters Patent and each of them. *Provided, however,* that the Armat Company hereby reserves and retains to itself and its successors in business, the right and license to practice the inventions described in the said Letters Patent without the payment of any royalty thereon to the Patents Company or its successors in business, such right and license being, however, subject to the same covenants, conditions and stipulations which the Patents Company may hereafter impose upon the most favored person, firm or corporation which it may license to manufacture, use and sell apparatus embodying the inventions described and claimed in the said Letters Patent.

(8) The Armat Company covenants and agrees that it has cancelled or will cancel any licenses, shop rights or other rights which may have been heretofore granted under any or all of the said United States Letters Patent to any person, firm or corporation other than those referred to in Paragraph 1 hereof, and the Armat Company further covenants and agrees that it will save harmless in all respects the Patents Company from any claim under any agreement, contract or other obligation which the Armat Company or its predecessors in title may have entered into or assumed with any person, firm or corporation, concerning or involving any license, shop right, or

other right under any or all of the said United States Letters Patent.

(9) The Patents Company covenants and agrees that it will keep in separate accounts the incomes from film royalties, from machine royalties and from exhibitors' royalties, and that the general and contingent expense of the Patents Company (which shall not include any expense incurred in any litigation) shall not exceed fifty thousand dollars (\$50,000) in any one year. The Patents Company further covenants and agrees that on June 20, 1909, and at the end of each and every year thereafter until the expiration of the said reissued United States Letters Patent Nos. 12,037 and 12,192, and on August 31, 1914, the date of expiration of the said reissued Letters Patent, it will make up the accounts of and distribute the said royalties for the preceding year or portion thereof, as the case may be, in the following manner:

First. From the machine royalties shall be deducted the Vitagraph royalties for payment to the Vitagraph Company of America, and from the exhibitors' royalties shall be deducted twenty-four per cent. (24%) thereof for payment to the manufacturers and importers of licensed motion pictures.

Second. From the film royalties and the remainders of the machine royalties and of the exhibitors' royalties shall be deducted the general and contingent expense for the preceding year or portion thereof, as the case may be, together with any expense for litigation which may have been incurred by the Patents Company, in shares proportioned according to the ratio which each of said sums bears to the gross income of the Patents Company for that year or portion thereof, the remainders of such sums after the said deductions are made being hereinafter referred to as "net film royalties," "net machine royalties" and "net exhibitors' royalties," respectively.

Third. The net film royalties, the net machine royalties and the net exhibitors' royalties shall be paid to a trustee as a dividend upon the capital stock of the Patents Company, and the said Trustee shall be instructed to divide and pay the said dividend in the following manner:

(a) To the Edison Company shall be assigned and paid an amount equal to the net film royalties.

(b) The remainder of the dividend, up to an amount equal to the net film royalties, shall be assigned and paid to the Biograph

Company and the Armat Company respectively, in the proportion of two-thirds ($\frac{2}{3}$) to the Biograph Company and one-third ($\frac{1}{3}$) to the Armat Company.

(c) If any balance remains after the foregoing payments, it shall be divided and paid to the Edison Company, the Biograph Company and the Armat Company, in the proportion of one-half ($\frac{1}{2}$) to the Edison Company, one-third ($\frac{1}{3}$) to the Biograph Company, and one-sixth ($\frac{1}{6}$) to the Armat Company.

(10) The Patents Company further covenants and agrees that, on August 31, 1915, (one year after the date of the expiration of reissued Letters Patent Nos. 12,037 and 12,192) and at the end of each and every year thereafter, it will pay to a trustee all of its net profits for the preceding year, which consists of the net machine royalties, the net exhibitors' royalties and the net sum of any royalties which the Patents Company may collect in lieu of the present film royalties (such amounts being determined as provided for in paragraph 9 hereof) as a dividend upon the capital stock of the Patents Company, and will instruct the trustee to divide the said dividend and pay to the Armat Company therefrom an amount equal to one-sixth ($\frac{1}{6}$) of such dividend.

(11) It is further mutually covenanted and agreed by and between the Patents Company and the Armat Company that this agreement shall take effect on the date hereof, and that if during the life of this agreement either party should knowingly or through gross neglect or carelessness be guilty of a breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, and should for the period of thirty days after notice thereof from the other party, persist therein or fail to correct, repair or remedy the same, then and in such case, the party aggrieved may terminate this agreement by giving thirty days' notice in writing to the guilty party of its intention so to do, and it is further mutually covenanted and agreed that this agreement may also be terminated by either of the parties hereto in case that the Patents Company should become bankrupt, cease doing business or should be dissolved voluntarily or otherwise, or its charter should be repealed. It is also further mutually covenanted and agreed that, upon the termination of this agreement for any of the foregoing causes, or any other cause, all of the right, title and interest in and to the said United States Letters Patent

Nos. 578,185, 580,749, 586,953, 588,916 and 673,992, shall be reassigned by the Patents Company to the Armat Company for and in consideration of the sum of one dollar (\$1.00).

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENTS COMPANY,

By Frank L. Dyer,
President.

(Seal)

Attest:

George F. Scull,
Secretary.

ARMAT MOVING PICTURE COMPANY,

By Thos. Armat,
President.

Attest:

Louis H. Stabler,
Secretary.

17.

AGREEMENT made this 18th day of December, 1908, by and between the MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Jersey City, in said State, (hereinafter referred to as the "PATENTS COMPANY"), party of the first part, and the AMERICAN MUTOSCOPE & BIOGRAPH COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at New York City, New York, (hereinafter referred to as the "BIOGRAPH COMPANY"), party of the second part:

(1) WHEREAS, the Biograph Company represents that it is the owner of all the right, title and interest in and to Letters Patent of the United States:

No. 629,063, dated July 18, 1899, for KINETOGRAPHIC CAMERA, granted to Herman Casler;

No. 707,934, dated August 26, 1902, for PROJECTING KINETOSCOPES, granted to Woodville Latham; and

No. 722,382, dated March 10, 1903, for ANIMATED PICTURE APPARATUS, granted to John A. Pross;

all of which relate to the moving picture art, and that there are no outstanding licenses under any or all of the said Letters Patent other than a license under each of the said Letters Patent heretofore granted to the Armat Moving Picture Company, a corporation of West Virginia, (hereinafter referred to as the Armat Company), and a license under said Letters Patent Nos. 707,934 and 722,382 to Marvin & Casler of Canastota, N. Y., to manufacture and sell for export, projecting machines, embodying the inventions described and claimed in the said Letters Patent; and

(2) WHEREAS, the Patents Company represents that it has an authorized capitalization of one hundred thousand dollars (\$100,000) of which twenty (20) shares of a par value of \$2,000 is outstanding; and WHEREAS, the Biograph Company desires to acquire fifty thousand dollars (\$50,000) of the capital stock of the Patents Company, and is willing to assign to the Patents Company all of its right, title and interest in and to the said United States Letters Patent in consideration of the payment to the Biograph Company of forty-nine thousand dollars (\$49,000) of the capital

stock of the Patents Company, and one thousand dollars (\$1,000) in cash; provided that for the one thousand dollars (\$1,000) in cash the Patents Company shall have assigned to the Biograph Company ten (10) shares of the said outstanding capital stock at a par value of one thousand dollars (\$1,000); and

(3) WHEREAS, the Board of Directors of the Patents Company has ascertained, adjudged and declared that the said right, title and interest in the said Letters Patent are of the fair value of fifty thousand dollars (\$50,000) and the acquisition thereof is necessary for the business of the Patents Company and to carry out its contemplated objects; and

(4) WHEREAS, the Patents Company represents that it has acquired or will acquire from the Vitagraph Company of America, New York, all the right, title and interest in and to United States Letters Patent Nos. 673,329, 744,251, 770,937, 771,280 785,205 and 785,237, (hereinafter referred to as the "Vitagraph Patents") all of which relate to motion picture projecting machines, and has agreed to pay to the said Vitagraph Company of America a royalty of one dollar (\$1.00) on each projecting machine embodying one or more of the inventions described and claimed in the said Vitagraph Patents made and sold under any licenses for the manufacture and sale of such projecting machines, granted by the Patents Company, (said royalties being hereinafter referred to as "Vitagraph royalties"), and also further represents that it has acquired or will acquire from the Armat Company all of the right, title and interest in and to United States Letters Patent Nos. 580,749, 586,953, 588,916 and 673,992, all of which relate to motion picture projecting machines, and also further represents that it has acquired or will acquire from the Edison Manufacturing Company, a corporation of New Jersey, (hereinafter referred to as the "Edison Company"), all the right, title and interest in and to reissued United States Letters Patent Nos. 12,037 and 12,192, said reissued Letters Patent relating to motion picture cameras and films, and

(5) WHEREAS, the Patents Company represents that it contemplates deriving royalties under patents covering projecting machines owned by the Patents Company from manufacturers of projecting machines, (hereinafter referred to as "machine royalties"); royalties from exhibitors for the use of projecting machines licensed under any or all of the patents covering projecting machines

owned by the Patents Company, (hereinafter referred to as "exhibitors' royalties") and royalties derived from manufacturers and importers of motion pictures under said reissued United States Letters Patent Nos. 12,037 and 12,192, (hereinafter referred to as "film royalties"); and

(6) WHEREAS, the Patents Company has agreed to pay to the manufacturers and importers of licensed motion pictures, except the Biograph Company and the Edison Company, 24 per cent. (24%) of the gross exhibitors' royalties;

NOW, THEREFORE, THIS INDENTURE WITNESSETH THAT:

(7) The Biograph Company in and by these presents does agree to assign, transfer and set over unto the Patents Company, and its successors in business, the entire right, title and interest in and to the said United States Letters Patent Nos. 629,063, 707,934 and 722,382, and the inventions described and claimed therein, and the right to sue for and recover damages and profits for past infringement of the said Letters Patent and each of them. *Provided, however,* that the Biograph Company hereby reserves and retains to itself and its successors in business, the right and license to practice the inventions described in the said Letters Patent without the payment of any royalty thereon to the Patents Company or its successors in business, such right and license being, however, subject to the same covenants, conditions and stipulations which the Patents Company may hereafter impose upon the most favored person, firm or corporation, which it may license to manufacture, use and sell apparatus embodying the inventions described and claimed in the said Letters Patent.

(8) The Patents Company hereby covenants and agrees, in consideration of the said agreement of the Biograph Company, and upon the assignment of the said Letters Patent Nos. 629,063, 707,934 and 722,382 to the Patents Company, to issue to the Biograph Company certificates of stock of the Patents Company to the aggregate amount of four hundred and ninety (490) shares of a par value of forty-nine thousand dollars (\$49,000), and to pay to the Biograph Company one thousand dollars (\$1,000) in cash, and the Patents Company further covenants and agrees that at the same time there shall be assigned to the Biograph Company for the said \$1,000 in cash, ten (10) shares of the capital stock of the Patents Company at a par value of one thousand dollars (\$1,000).

(9) The Biograph Company covenants and agrees that it has cancelled or will cancel any licenses, shop rights or other rights which may have been heretofore granted under any or all of the said United States Letters Patent to any person, firm or corporation other than those referred to in Paragraph 1 hereof, and the Biograph Company further covenants and agrees that it will save harmless in all respects the Patents Company from any claim under any agreement, contract or other obligation which the Biograph Company, or its predecessors in title, may have entered into or assumed with any person, firm or corporation, concerning or involving any license, shop right or other right under any or all of the said United States Letters Patent.

(10) The Patents Company further covenants and agrees that it will keep in separate accounts the incomes from film royalties, from machine royalties and from exhibitors' royalties, and that the general and contingent expense of the Patents Company (which shall not include any expense incurred in any litigation) shall not exceed fifty thousand dollars (\$50,000) in any one year. The Patents Company further covenants and agrees that on June 20, 1909, and at the end of each and every year thereafter until the expiration of the said reissued United States Letters Patent Nos. 12,037 and 12,192, and on August 31, 1914, the date of expiration of the said reissued Letters Patent, it will make up the accounts of and distribute the said royalties for the preceding year or portion thereof, as the case may be, in the following manner:

First. From the machine royalties shall be deducted the Vitagraph royalties for payment to the Vitagraph Company of America, and from the exhibitors' royalties shall be deducted 24 per cent. (24%) thereof for payment to the manufacturers and importers of licensed motion pictures.

Second. From the film royalties and the remainders of the machine royalties and of the exhibitors' royalties shall be deducted the general and contingent expense for the preceding year or portion thereof, as the case may be, together with any expense for litigation which may have been incurred by the Patents Company, in shares proportioned according to the ratio which each of said sums bears to the gross income of the Patents Company for that year or portion thereof, the remainders of such sums after the said deductions are made being hereinafter referred to as "net film royalties," "net machine royalties," and "net exhibitors' royalties," respectively.

Third. The net film royalties, the net machine royalties and the net exhibitors' royalties shall be paid to the trustee provided for in Paragraph 12 of this agreement as a dividend upon the capital stock of the Patents Company, and the said trustee shall be instructed to divide and pay the said dividend in the following manner:

(a) To the Edison Company shall be assigned and paid an amount equal to the net film royalties.

(b) The remainder of the dividend, up to an amount equal to the net film royalties, shall be assigned and paid to the Biograph Company, and the Armat Company respectively, in the proportion of two-thirds ($\frac{2}{3}$) to the Biograph Company and one-third ($\frac{1}{3}$) to the Armat Company.

(c) If any balance remains after the foregoing payments, it shall be divided and paid to the Edison Company, the Biograph Company and the Armat Company, in the proportion of one-half ($\frac{1}{2}$) to the Edison Company, one-third ($\frac{1}{3}$) to the Biograph Company, and one-sixth ($\frac{1}{6}$) to the Armat Company.

(11) The Patents Company further covenants and agrees that, on August 31, 1915, (one year after the date of the expiration of reissued Letters Patent Nos. 12,037 and 12,192), and at the end of each and every year thereafter, it will pay to the trustee provided for in Paragraph 12 of this agreement, all of its net profits for the preceding year, which consists of the net machine royalties, the net exhibitors' royalties and the net sum of any royalties which the Patents Company may collect in lieu of the present film royalties, (such net amounts being determined as provided for in Paragraph 10 hereof) as a dividend upon the capital stock of the Patents Company, and will instruct the trustee to divide the said dividend and pay to the Biograph Company therefrom an amount equal to one-third ($\frac{1}{3}$) of such dividend.

(12) The Biograph Company further covenants and agrees not to pledge, sell or otherwise dispose of its capital stock in the Patents Company, except the minimum number of shares sufficient to qualify one-half of the total number of directors which the Patents Company may have, without the consent of the Edison Company and the Armat Company, and the Biograph Company further agrees to deposit its certificates of stock in the Patents Company, except such as represent the said qualifying shares for directors, with a responsible trust company named by the Patents Company, as trustee, and to

instruct the said trustee not to release, transfer or return the said certificates so deposited, without the consent of the Edison Company and the Armat Company.

(13) It is further mutually covenanted and agreed by and between the Patents Company and the Biograph Company that this agreement shall take effect on the date hereof, and that if during the life of this agreement either party shall knowingly or through gross neglect or carelessness be guilty of a breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, and should for the period of thirty days after notice thereof from the other party, persist therein or fail to correct, repair or remedy the same, then and in such case, the party aggrieved may terminate this agreement by giving thirty days' notice in writing to the guilty party of its intention so to do, and it is further mutually covenanted and agreed that this agreement may also be terminated by either of the parties hereto in case that the Patents Company should become bankrupt, cease doing business or should be dissolved voluntarily or otherwise, or its charter should be repealed. It is also further mutually covenanted and agreed that, upon the termination of this agreement for any of the foregoing causes, or any other cause, all of the right, title and interest in and to the said United States Letters Patent Nos. 629,063, 707,934 and 722,382 shall be reassigned by the Patents Company to the Biograph Company for and in consideration of the sum of one dollar (\$1.00).

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENTS COMPANY,

By H. H. Harrison,

(Seal)

President.

Attest:

Geo. J. Murray,

Secretary.

AMERICAN MUTOSCOPE & BIOGRAPH COMPANY,

By J. J. Kennedy,

(Seal)

President.

Attest:

H. H. Bruenner,

Secretary.

18.

PRELIMINARY AGREEMENT FOR ASSIGNMENT OF
PATENTS BETWEEN MOTION PICTURE PATENTS COM-
PANY AND EDISON MANUFACTURING COMPANY,
DECEMBER 18, 1908.

AGREEMENT made this 18th day of December, 1908, by and between the Motion Picture Patents Company, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Jersey City in said State (hereinafter referred to as the "Patents Company"), party of the first part, and the Edison Manufacturing Company, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Orange in said State (hereinafter referred to as the "Edison Company"), party of the second part:

(1) Whereas the Edison Company represents that it is the owner of all the right, title, and interest in and to reissued United States Letters Patent No. 12037, dated September 30, 1902, and reissued United States Letters Patent No. 12,192, dated January 12, 1904, and that there are no outstanding licenses under the said letters patent other than those hereinafter referred to, and

(2) Whereas the Edison Company represents that it has heretofore granted licenses in writing to manufacture and use the inventions described and claimed in said reissued Letters Patent No. 12037, and to manufacture and sell the invention described and claimed in the said reissued Letters Patent No. 12192, to the Vitagraph Company of America, of New York; Siegmund Lubin, of Philadelphia; the Selig Polyscope Company of Chicago; the Essanay Company of Chicago; the Kalem Company of New York; and the George Melies Company of Chicago, all dated January 31, 1908, and to Pathe Freres of New York, dated May 20, 1908, to go into effect June 20, 1908, (the licensees under said license agreements being hereinafter referred to as "Edison Licensees"), and the Edison Company further represents that the said Edison Licensees are willing to suspend the operation of the said licenses; and

(3) Whereas, the Edison Company represents that it has heretofore entered into two agreements in writing, dated May 20, 1908, with the Eastman Kodak Company, a corporation of New York (hereinafter referred to as the "Eastman Company"), granting the right to the said Eastman Company to supply "licensed film" to the

Edison Licensees, and that the Eastman Company is willing to terminate the said agreements; and

(4) Whereas, the Patents Company represents that it has an authorized capitalization of one hundred thousand dollars (\$100,000), of which twenty (20) shares of a par value of \$2,000 are outstanding, and whereas, the Edison Company desires to acquire fifty thousand dollars (\$50,000) of the capital stock of the Patents Company, and is willing to assign to the Patents Company all of its right, title, and interest in and to the said reissued United States letters patent and is willing to suspend the operation of the said licenses granted thereunder, and to terminate the said agreements with the Eastman Company, in consideration of the payment to the Edison Company of forty-nine thousand dollars (\$49,000) of the capital stock of the Patents Company, and one thousand dollars (\$1,000) in cash, provided that for the said one thousand dollars in cash, the Patents Company shall have assigned to the Edison Company, ten (10) shares of the said capital stock at a par value of one thousand dollars (\$1,000); and

(5) Whereas, the board of directors of the Patents Company has ascertained, adjudged, and declared that the said right, title, and interest in the said reissued letters patent free from the operation of the said licenses and agreements, are of the fair value of fifty thousand dollars (\$50,000) and that the acquisition thereof is necessary for the business of the Patents Company and to carry out its contemplated objects; and

(6) Whereas, the Patents Company represents that it has acquired or will acquire from the Vitagraph Company of America, of New York, all the right, title, and interest in and to United States Letters Patent Nos. 673329, 744251, 770937, 771280, 785205, and 785237 (hereinafter referred to as the "Vitagraph patents") all of which relate to motion picture projecting machines, and has agreed to pay to the said Vitagraph Company of America a royalty of one dollar (\$1) on each projecting machine embodying one or more of the inventions described and claimed in the said Vitagraph patents made and sold under any licenses for the manufacture and sale of such projecting machines, granted by the Patents Company (said royalties being hereinafter referred to as "Vitagraph royalties") and also further represents that it has acquired or will acquire from the American Mutoscope and Biograph Company, a corporation of New Jersey (hereinafter referred to as the "Biograph Company"), and the

Armat Moving Picture Company, a corporation of West Virginia (hereinafter referred to as the "Armat Company"), all the right, title, and interest in and to United States Letters Patent Nos. 578185, 580749, 586953, 588916, 629063, 673992, 707934, and 722382, all of which relate to motion picture projecting machines or cameras; and

(7) Whereas, the Patents Company represents that it contemplates deriving royalties under patents covering projecting machines owned by the Patents Company from manufacturers of projecting machines (hereinafter referred to as "machine royalties"); royalties from exhibitors for the use of projecting machines licensed under any or all of the patents covering projecting machines owned by the Patents Company (hereinafter referred to as "exhibitors' royalties"), and royalties derived from manufacturers and importers of motion pictures under said reissued United States Letters Patent Nos. 12037 and 12192 (hereinafter referred to as "film royalties"); and

(8) Whereas, the Patents Company has agreed to pay to the manufacturers and importers of licensed motion pictures, except the Biograph Company and the Edison Company, 24 per cent (24%) of the gross exhibitors' royalties;

Now, therefore, this indenture witnesseth that:

(9) The Edison Company, in and by these presents, does agree to assign, transfer, and set over unto the Patents Company and its successors in business, the entire right, title, and interest in and to the said reissued United States Letters Patent, Nos. 12037 and 12192, and the inventions described and claimed therein, and the right to sue for and recover damages and profits for past infringement of the said reissued letters patent and of each of them, and to enter into agreements in writing with the said Edison Licensees suspending the operation of the licenses granted by the Edison Company under the said reissued United States Letters Patent to the said Edison Licensees, so long as the said reissued letters patent are owned by the Patents Company, and to enter into agreements in writing with the Eastman Company terminating the agreements in writing referred to in paragraph 3 hereof, so long as the said reissued letters patent are owned by the Patents Company.

(10) The Patents Company hereby covenants and agrees in consideration of the said agreement of the Edison Company, and upon the assignment of the said reissued letters patent to the Patents

Company, and upon the making of the said agreements in writing by and between the Edison Company and the Edison Licensees and the Eastman Company, to issue to the Edison Company certificates of stock of the Patents Company to the aggregate amount of four hundred and ninety (490) shares, of a par value of forty-nine thousand dollars (\$49,000), and to pay to the Edison Company one thousand dollars (\$1,000) in cash, and the Patents Company further covenants and agrees that at the same time there shall be assigned to the Edison Company for the said \$1,000 in cash ten (10) shares of the capital stock of the Patents Company at a par value of one thousand dollars (\$1,000).

(11) The Edison Company covenants and agrees that it has canceled or will cancel any licenses, shop rights, or other rights which may have been heretofore granted under either or both of the said reissued United States letters patent to any person, firm, or corporation other than the Edison Licensees, and the Edison Company further covenants and agrees that it will save harmless in all respects the Patents Company from any claim under any agreement, contract, or other obligation which the Edison Company or its predecessors in title may have entered into or assumed with any person, firm, or corporation concerning or involving any licenses, shop right, or other right under any or all of the said reissued letters patent.

(12) The Patents Company further covenants and agrees that it will keep in separate accounts the incomes from film royalties, from machine royalties, and from exhibitors' royalties, and that the general and contingent expense of the Patents Company (which shall not include any expense incurred in any litigation) shall not exceed fifty thousand dollars (\$50,000) in any one year. The Patents Company further covenants and agrees that on June 20, 1909, and at the end of each and every year thereafter until the expiration of the said reissued United States Letters Patent Nos. 12037, and 12192, and on August 14, 1914, the date of expiration of the said reissued letters patent, it will make up the accounts of and distribute the said royalties for the preceding year or portion thereof, as the case may be, in the following manner:

First. From the machine royalties shall be deducted the Vitagraph royalties for payment to the Vitagraph Company of America, and from the exhibitors' royalties shall be deducted 24 per cent

(24%) thereof for payment to the manufacturers and importers of licensed motion pictures.

Second. From the film royalties and the remainders of the machine royalties and of the exhibitors' royalties shall be deducted the general and contingent expense for the preceding year or portion thereof, as the case may be, together with any expense for litigation which may have been incurred by the Patents Company, in shares proportioned according to the ratio which each of said sums bears to the gross income of the Patents Company for that year or portion thereof, the remainders of such sums after the said deductions are made being hereinafter referred to as "net film royalties," "net machine royalties," and "net exhibitors' royalties," respectively.

Third. The net film royalties, the net machine royalties, and the net exhibitors' royalties shall be paid to the trustee provided for in paragraph 14 of this agreement as a dividend upon the capital stock of the Patents Company, and the said trustee shall be instructed to divide and pay the said dividend in the following manner:

(a) To the Edison Company shall be assigned and paid an amount equal to the net film royalties.

(b) The remainder of the dividend, up to an amount equal to the net film royalties, shall be assigned and paid to the Biograph Company and the Armat Company, respectively, in the proportion of two-thirds ($\frac{2}{3}$) to the Biograph Company and one-third ($\frac{1}{3}$) to the Armat Company.

(c) If any balance remains after the foregoing payments, it shall be divided and paid to the Edison Company, the Biograph Company, and the Armat Company, in the proportion of one-half ($\frac{1}{2}$) to the Edison Company, one-third ($\frac{1}{3}$) to the Biograph Company, and one-sixth ($\frac{1}{6}$) to the Armat Company.

(13) The Patents Company further covenants and agrees that, on August 31, 1915 (one year after the date of the expiration of reissued Letters Patent Nos. 12037 and 12192), and at the end of each and every year thereafter, it will pay to the trustee provided for in paragraph 14 of this agreement all of its net profits for the preceding year, which consists of the net machine royalties, the net exhibitors' royalties and the net sum of any royalties which the Patents Company may collect in lieu of the present film royalties (such net amounts being determined as provided for in paragraph 12 hereof) as a dividend upon the capital stock of the Patents Company, and will instruct the trustee to divide the said dividend and

pay to the Edison Company therefrom an amount equal to one-half ($\frac{1}{2}$) of such dividend.

(14) The Edison Company further covenants and agrees not to pledge, sell or otherwise dispose of its capital stock in the Patents Company, except the minimum number of shares sufficient to qualify one-half of the total number of directors which the Patents Company may have, without the consent of the Biograph Company and the Armat Company, and the Edison Company further agrees to deposit its certificates of stock in the Patents Company, except such as represent the said qualifying shares for directors, with a responsible trust company named by the Patents Company, as trustee, and to instruct the said trustee not to release, transfer, or return the said certificates so deposited, without the consent of the Biograph Company and the Armat Company.

(15)* It is further mutually covenanted and agreed by and between the Patents Company and the Edison Company that this agreement shall take effect on the date hereof, and that if during the life of this agreement either party should knowingly or through gross neglect or carelessness be guilty of a breach, violation, or non-performance of its covenants, conditions, and stipulations, resulting in substantial injury to the other party, and should for the period of thirty days after notice thereof from the other party, persist therein or fail to correct, repair, or remedy the same, then and in such case the party aggrieved may terminate this agreement by giving thirty days' notice in writing to the guilty party of its intention so to do, and it is further mutually covenanted and agreed that this agreement may also be terminated by either of the parties hereto in case that the Patents Company should become bankrupt, cease doing business, or should be dissolved voluntarily or otherwise, or its charter should be repealed. It is also further mutually covenanted and agreed that, upon the termination of this agreement for any of the foregoing causes, or any other cause, all of the right, title, and interest in and to the said reissued United States Letters Patent Nos. 12037 and 12192 shall be reassigned by the Patents Company to the Edison Company for and in consideration of the sum of one dollar (\$1).

In witness whereof, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENTS COMPANY,

(Seal) By H. H. Harrison,
President.

Attest:

Geo. J. Murray,
Secretary.

EDISON MANUFACTURING COMPANY,

(Seal) By Frank L. Dyer,
Vice-President.

Attest:

A. Westee,
Secretary.

19.

AGREEMENT made this 18th day of December, 1908, by and between the MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Jersey City in said State (hereinafter referred to as the "PATENTS COMPANY"), party of the first part, and THE VITAGRAPH COMPANY OF AMERICA, a corporation organized and existing under the laws of the State of New York, and having an office at New York in said State, (hereinafter referred to as the "VITAGRAPH COMPANY"), party of the second part.

(a) WHEREAS, the Vitagraph Company represents that it is the owner of all the right, title and interest in and to United States Letters Patent:

Patent No. 673,329, granted to The American Vitagraph Company as the assignee of Albert E. Smith, dated April 30, 1901, for KINETOSCOPE;

Patent No. 744,251, granted to Albert E. Smith, dated November 17, 1913, for KINETOSCOPE;

Patent No. 770,937, granted The Vitagraph Company of America as the assignee of Albert E. Smith, dated September 27, 1904, for KINETOSCOPE;

Patent No. 771,280, granted to Albert E. Smith, dated October 4, 1904, for WINDING REEL;

Patent No. 785,205, granted The Vitagraph Company of America as the assignee of William Ellwood, dated March 21, 1905, for FLAME-SHIELD FOR KINETOSCOPES; and

Patent No. 785,237, granted The Vitagraph Company of America as the assignee of Albert E. Smith, dated March 21, 1905, for FILM-HOLDER FOR KINETOSCOPES; and

(hereafter referred to for brevity as "VITAGRAPH PATENTS") and that there are no outstanding licenses under the said Letters Patent, and is willing and desirous of selling the said Patents to the Patents Company;

(b) WHEREAS, the Patents Company is willing and desirous of purchasing the said patents, and relies upon the representations of the Vitagraph Company;

NOW, THEREFORE, THIS INDENTURE WITNESSETH THAT:

(1) The Vitagraph Company, in and by these presents, for and in consideration of the sum of one Dollar (\$1.00), receipt of which is hereby acknowledged, and of the covenants of the Patents Company in this agreement, does agree to assign, transfer and set over unto the Patents Company, and its successors in business, the entire right, title and interest in and to the said United States Letters Patent Nos. 673,329, 744,251, 770,937, 771,280, 785,205 and 785,237, and the inventions described and claimed therein, and the right to sue for and recover damages and profits for past infringement of the said Letters Patent and of each of them *provided, however*, that the Vitagraph Company shall reserve and retain to itself and its successors in business, the right and license to practice the inventions described in the said Letters Patent without the payment of any royalty thereon to the Patents Company or its successors in business, such right and license being, however, subject to the same covenants, conditions and stipulations which the Patents Company may hereafter impose upon the most favored person, firm or corporation which it may license to manufacture, use and sell apparatus embodying the inventions described and claimed in the said Letters Patent.

(2) The Patents Company covenants and agrees that it will not grant any licenses to manufacture exhibiting or projecting machines under any patents owned by it and covering such machines, unless such licensee shall also accept a license to manufacture and sell exhibiting and projecting machines under the said Vitagraph patents, whether or not such licensee may thereafter make use of any of the inventions covered by said Vitagraph patents.

(3) The Patents Company covenants and agrees that on all motion picture exhibiting or projecting machines containing the inventions described in one or more of the said Vitagraph patents, manufactured or imported, and sold under the license of the Patents Company, it will charge royalties as follows:

On each such machine capable of exhibiting or projecting by transmitted light, motion pictures on film of a width greater than approximately one inch (1"), a royalty of one dollar (\$1.00).

On each such machine not capable of exhibiting or projecting by transmitted light, motion pictures on film of a width greater than approximately one inch (1"), a royalty of three-fifths ($\frac{3}{5}$) of one (1) per cent. of the net retail selling price of such machines.

On each such machine capable of exhibiting or projecting by reflected light, motion pictures on film of any width, but not capable of exhibiting or projecting the same by transmitted light, a royalty of three-fifths ($\frac{3}{5}$) of one (1) per cent. of the net retail selling price of such machines.

It is understood and agreed by and between the Licensor and the Licensee that the expression "motion picture exhibiting or projecting machine," as used hereinbefore or hereinafter, includes motion picture mechanisms or "heads" for such exhibiting or projecting machines, but not any repair parts or portions of such motion picture mechanisms or "heads."

The Patents Company further covenants and agrees that it will on June 20th, 1909, and at the end of each and every year thereafter, assign and pay over to the Vitagraph Company, all such royalties collected by the Patents Company under the provisions of this paragraph, during the period between February 1st, 1909, and June 20th, 1909, and during each year thereafter.

(4) The Patents Company further covenants and agrees to keep accurate books of accounts and to permit the Vitagraph Company, if it should so desire, to inspect the said books of account, through any reputable chartered accountants, to determine that the sums herein provided have been properly assigned and paid to the Vitagraph Company.

(5) The Vitagraph Company covenants and agrees that it has cancelled or will cancel any licenses, shop rights or other rights which may have been heretofore granted under any or all of the said United States Letters Patent, to any person, firm or corporation, and the Vitagraph Company further covenants and agrees that it will save harmless in all respects the Patents Company from any claim under any agreement, contract or other obligation, which the Vitagraph Company or its predecessors in title may have entered into or assumed with any person, firm or corporation concerning or involving any license, shop right or other right under any or all of the said United States Letters Patent or the applications therefor.

(6) It is further mutually covenanted and agreed by and between the Patents Company and the Vitagraph Company that this agreement shall take effect on the date hereof and continue until the expiration of all the Vitagraph patents, and that if, during the life of this agreement, either party should knowingly or through gross neglect or carelessness be guilty of a breach, violation or non-

performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, and should, for a period of thirty days after notice thereof from the other party, persist therein or fail to correct, repair or remedy the same, then and in such case, the party aggrieved may terminate this agreement by giving thirty days' notice in writing to the guilty party of its intention so to do, and it is further mutually covenanted and agreed that this agreement may also be terminated by either of the parties hereto in case that the Patents Company should become bankrupt, cease doing business or should be dissolved voluntarily or otherwise, or its charter should be repealed. It is also further mutually covenanted and agreed that, upon the termination of this agreement for any of the foregoing causes, or any other cause, all of the right, title and interest in and to the said United States Letters Patent Nos. 673,329, 744,251, 770,937, 771,280, 785,205 and 785,237, shall be reassigned by the Patents Company to the Vitagraph Company for and in consideration of the sum of one dollar (\$1.00).

IN WITNESS WHEREOF the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENTS COMPANY,

By Frank L. Dyer,

President.

(Seal)

Attest:

George F. Scull,
Secretary.

THE VITAGRAPH COMPANY OF AMERICA,

By William T. Rock,

President.

(Seal)

Attest:

J. Stuart Blackton,
Secretary.

20

LICENSE AGREEMENT.

(a) This agreement, made this 18th day of December, 1908, by and between Motion Picture Patents Company, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Jersey City, in said State, party of the first part, (hereinafter referred to as the Licensor), and American Mutoscope and Biograph Company, a corporation organized and existing under the laws of the State of New Jersey, and having an office at New York City, party of the second part, (hereinafter referred to as the Licensee), witnesseth:

(b) Whereas, the Licensor represents that it is organized to own, deal in, and grant licenses under letters patent pertaining to the motion-picture art, and that it is the owner of all the right, title, and interest in and to United States Letters Patent:

No. 578185, dated March 2, 1897, for Vitascope, granted to Thomas Armat;

No. 580749, dated April 13, 1897, for Vitascope, granted to Thomas Armat;

No. 586953, dated July 20, 1897, for Phantoscope, granted to Charles F. Jenkins and Thomas Armat;

No. 588916, dated August 24, 1897, for Kinetoscope, granted to Charles M. Campbell as the assignee of Willard G. Stewart and Ellis F. Frost;

No. 629063, dated July 18, 1899, for Kinetoscopic Camera, granted to American Mutoscope Company as the assignee of Herman Casler;

No. 673329, dated April 30, 1901, for Kinetoscope, granted to the American Vitagraph Company as the assignee of Albert E. Smith;

No. 673992, dated May 14, 1901, for Vitascope, granted to Thomas Armat;

No. 707934, dated August 26, 1902, for Projecting Kinetoscope, granted E. & H. T. Anthony & Co., as assignees of Woodville Latham;

No. 722382, dated March 10, 1903, for Animated Picture Apparatus, granted to American Mutoscope & Biograph Company as the assignee of John A. Pross;

No. 744251, dated November 17, 1903, for Kinetoscope, granted Albert E. Smith;

No. 770937, dated September 27, 1904, for Kinetoscope, granted the Vitagraph Company of America as the assignee of Albert E. Smith;

No. 771280, dated October 4, 1904, for Winding-Reel, granted Albert E. Smith;

No. 785205, dated March 21, 1905, for Flame-Shield for Kinetoscopes, granted the Vitagraph Company of America as the assignee of William Ellwood; and

No. 785237, dated March 21, 1905, for Film-Holder for Kinetoscopes, granted the Vitagraph Company of America as the assignee of Albert E. Smith;

all of which said letters patent relate to improvements in the motion picture art, and that there are no outstanding licenses, shop rights, or other rights under said letters patent, or either of them, except a license for Parlor Kinetoscopes granted the Karmata Company, of Washington, D. C., under Letters Patent Nos. 578185, 580749, 586953, and 673992, and certain alleged licenses under U. S. Letters Patent No. 586953, which are in dispute, claimed to be owned by the Edison Company and the American Graphophone Company, of Washington, D. C., and S. Lubin, of Philadelphia, Pennsylvania; and excepting a license granted by the American Mutoscope & Biograph Company to the firm of Marvin and Casler to manufacture and sell cameras and exhibiting or projecting machines under letters patent owned by it (some of which are hereinbefore referred to) for use in foreign countries only, and excepting certain licenses granted by the Armat Motion Picture Company to the American Mutoscope & Biograph Company under Letters Patent Nos. 578185, 580749, 586953, 588916, and 673992, and by the latter company to the former company under Patents Nos. 707934 and 722382, which licenses are, however, by agreement between said parties, suspended and are not to be acted upon until the Licensor becomes bankrupt, ceases doing business, or shall be dissolved voluntarily or otherwise, or its charter shall be repealed; and

(c) Whereas, the Licensor is the owner of all the right, title,

and interest in and to reissued Letters Patent of the United States Numbered 12037, dated September 30, 1902, and 12192, dated January 12, 1904, the original Letters Patent whereof are Numbered 589168 and dated August 31, 1897, and that there are no outstanding licenses, shop rights, or other rights under said reissued letters patent, or either of them, except license agreements thereunder between the Edison Company and Pathe Freres of New York, dated May 20, 1908 (to go into effect June 20, 1908), and between the Edison Company and the Kalem Company, of New York; the Essanay Company, of Chicago; Siegmund Lubin, of Philadelphia; George Melies Company, of Chicago, Illinois; the Selig Polyscope Company, of said Chicago, and the Vitagraph Company of America, of New York, all dated January 31, 1908; and

(d) Whereas, the Edison Company, the Licensee and the other licensees before mentioned under the said reissued Letters Patent, Numbered 12037 and 12192, have suspended the operation of the said license agreements; and

(e) Whereas, the Licensee is engaged in the manufacture and sale of motion pictures, including the printing of positive motion pictures from negative motion pictures of the Licensee's own production, and, relying upon the aforesaid representations of the Licensor, and induced thereby, desires to obtain from the Licensor a license under said two reissued Letters Patent Numbered 12037 and 12192, and Letters Patent Nos. 629063 and 707934, and to lease positive motion pictures for use in exhibiting or projecting machines containing the inventions, or any of them, described and claimed in said Letters Patent Nos. 578185, 580749, 586953, 588916, 673329, 673992, 707934, 722382, 744251, 770937, 771280, 785205, and 785237, and to sell positive motion pictures on film of a width approximately one (1) inch or less in certain territory and on film of any width in certain territory:

(f) Now therefore, the parties hereto, for and in consideration of the sum of one dollar to each in hand paid by the other, and for other good and valuable considerations from each to the other moving, receipt of all of which is hereby acknowledged, have agreed as follows:

1. The Licensor hereby grants to the Licensee for the term and subject to the covenants, conditions, and stipulations hereinafter expressed, the right and license under said reissued Letters Patent

No. 12037 and Letters Patent Nos. 629063 and 707934, for the United States, its territories, dependencies, and possessions (hereinafter called the "territory aforesaid") to manufacture and use such a number of cameras embodying the inventions of said reissued Letters Patent No. 12037 and Letters Patent Nos. 629063 and 707934, as may be necessary for the proper conduct of the Licensee's business, and to manufacture, print and produce positive motion pictures embodying the inventions of said reissued Letters Patent No. 12192, and to lease the same in the United States, its territories, dependencies, and possessions (with the exceptions of its insular possessions and Alaska), hereinafter referred to as the "lease territory aforesaid," on film of a greater width than approximately one (1) inch, upon condition that they be used solely in exhibiting or projecting machines containing the inventions or some of them of said Letters Patent Nos. 578185, 580749, 586953, 588916, 673329, 673992, 707934, 722382, 744251, 770937, 771280, 785205, and 785237, and licensed by the Licensor, and to sell positive motion pictures embodying the invention of said reissued Letters Patent No. 12192, on film of a width approximately one (1) inch or less in the "lease territory aforesaid" and on film of any width in or for said insular possessions and Alaska and foreign countries, hereinafter referred to as "said export territory" or "for export."

The License hereby granted is personal to the Licensee and does not include the right to dispose of, in the "territory aforesaid," any cameras embodying any invention covered by said reissued Letters Patent No. 12037 and Letters Patent Nos. 629063 and 707934; and, in the event of the permanent discontinuance or retirement from business of the Licensee for a period of six consecutive months, the license hereby granted shall be immediately terminated.

2. The Licensor, for itself, its successors, assigns and legal representatives, hereby releases, acquits, and discharges the Licensee from any and all claims, demands, and liability for profits and damages, because of any infringement by the Licensee of any or all of the aforesaid United States Letters Patent Nos. 578185, 580749, 586953, 588916, 629063, 673329, 673992, 707934, 722382, 744251, 770937, 771280, 785205, and 785237, and reissued Letters Patent Nos. 12037 and 12192, or use by the Licensee of the inventions, or any of them, covered by said letters patent or either of them prior to the date hereof.

3. The Licensee hereby recognizes and admits the validity of said reissued Letters Patent No. 12037, so far as the first three claims thereof are concerned, and the validity of said reissued Letters Patent No. 12192 and Letters Patent Nos 578185, 580749, 586953, 588916, 629063, 673329, 673992, 707934, 722382, 744251, 770937, 771280, 785205, and 785237, and the Licensee agrees not to contest or question the same during the continuance of this agreement.

4. The Licensee covenants and agrees that in the manufacture of motion pictures, both negative and positive in the "territory aforesaid," during the continuance of this agreement, the Licensee will use exclusively sensitized film manufactured and sold in the United States by a manufacturer or manufacturers authorized by the Licensor, such sensitized film hereinafter called "licensed film," and that the Licensee will not, in the "territory aforesaid," purchase or otherwise acquire or lease or sell or otherwise dispose of or deal in, motion pictures produced on or by the use of any other film than such "licensed film," nor sell or otherwise dispose of any negative motion pictures.

The Licensor further covenants and agrees that it will, in an agreement in writing with each manufacturer of "licensed film," obligate such manufacturer, so long as the latter has the exclusive right to make and sell such "licensed film," not to knowingly furnish, or sell, in the "territory aforesaid," except "for export," sensitized film for the commercial production of negative and positive motion pictures to anyone but the Licensee, and the additional licensees hereinafter provided for, except to the extent of 2½ per cent of the total amount of such "licensed film" supplied by such manufacturer to the parties to the license agreements referred to in paragraph (c) during the year preceding June 20, 1909, and to the Licensee and the additional licensees hereinafter provided for, during any one year thereafter during the continuance of such agreement, which amount such manufacturer shall have the right to furnish or sell, in the "territory aforesaid," to persons not engaged in the business of manufacturing, leasing, selling, loaning, renting out, or otherwise disposing of or dealing in motion pictures in the "territory aforesaid"; and with the further exception that such manufacturer may also reserve the right to manufacture and sell sensitized film suitable for the commercial production of negative and positive motion pictures, of a width not to exceed approximately one (1)

inch in the "territory aforesaid," to persons, firms, and corporations engaged in the business of manufacturing, leasing, selling, loaning, renting out, or otherwise disposing of or dealing in motion pictures in the "territory aforesaid," but upon the condition that in case any of them produces thereon any picture greater in size than approximately three-quarters ($\frac{3}{4}$) of an inch on a line either parallel to or at right angles to the edge of such film, and such manufacturer has knowledge thereof, such manufacturer will cease supplying such film to any person, firm, or corporation so doing; and with the further exception that such manufacturer may also reserve the right to manufacture and sell in the "territory aforesaid" such sensitized film suitable for the commercial production of negative and positive motion pictures of any width, to persons, firms, and corporations now having an established business of manufacturing motion pictures in any country foreign to the United States, who now manufacture negative and positive motion pictures in the United States, or who may after the date of this agreement commence the manufacture of negative or positive motion pictures in the United States.

The Licensor further covenants and agrees that the royalties which it will charge to and receive from the Licensee for "licensed film" (and which are to be included by the manufacturer or manufacturers in the prices charged for "licensed film" to the Licensee and paid over to the Licensor) shall not, for "licensed film" of a width approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) or thirty-five (35) millimeters, purchased by the Licensee during the year preceding June 20, 1909, and during any year thereafter during the continuance of this agreement, as hereafter provided, exceed the following rates; that is to say:

If the shipments of such "licensed film" to the Licensee, on the Licensee's orders, for any such year be four million running feet or less, a royalty of one-half ($\frac{1}{2}$) cent per running foot on the total number of running feet for that year; if such shipments, on the Licensee's orders, of such "licensed film" for any such year exceed four million running feet but do not exceed six million running feet, a royalty of four and one-half ($4\frac{1}{2}$) mills per running foot on the total number of running feet for that year; if such shipments, on the Licensee's orders, of such "licensed film" for any such year exceed six million running feet but do not exceed eight million running feet,

a royalty of four (4) mills per running foot on the total number of running feet for that year; if such shipments, on the Licensee's orders, of such "licensed film" for any such year exceed eight million running feet but do not exceed ten million running feet, a royalty of three and three-quarters ($3\frac{3}{4}$) mills per running foot on the total number of running feet for that year; and if such shipments, on the Licensee's orders, of such "licensed film" for any such year exceed ten million running feet, a royalty of three and one-quarter ($3\frac{1}{4}$) mills per running foot on the total number of running feet for that year. And for "licensed film" narrower or wider than approximately one and three-eighths ($1\frac{3}{8}$ in.) inch or thirty-five (35) millimeters, the above-mentioned royalty rates shall be reduced or increased in proportion to the reduction or increase in width of such narrower or wider "licensed film" below or above the width of such "licensed film" of approximately one and three-eighths ($1\frac{3}{8}$ in.) inch or thirty-five (35) millimeters.

The Licensor and Licensee further mutually covenant and agree that the manufacturer of such "licensed film" shall in the first instance—that is to say, when such film is billed and shipped by it—charge the Licensee with its price per running foot plus the maximum royalty aforesaid, and on the expiration of each year, counting from June 20th, 1909, shall adjust the royalty account of the Licensee as to "licensed film" so billed and shipped to and paid for by the Licensee, according to the royalty schedule aforesaid, returning to the Licensee any amount the Licensee shall have overpaid, according to said schedule, and paying the balance to the Licensor; and that the royalties which may hereafter be paid to the manufacturer of such "licensed film" after the date hereof and up to June 20, 1909, under this agreement, shall be adjusted and the excess returned, in the same manner, the royalty rate to be charged for such period being the rate that would have been charged if the shipments of "licensed film" to the Licensee had been continued for a year at the same rate at which shipments were made for such period.

The Licensor further agrees that the dealings between the Licensee and the authorized manufacturer or manufacturers from whom the Licensee purchases such "licensed film" shall, in so far as the number of running feet ordered by or shipped to the Licensee or anything that would indicate or disclose the number of such feet is concerned, be a matter of confidence between the Licensee and

such manufacturer or manufacturers, who shall not be at liberty to disclose, and moreover shall be bound in writing not to disclose, directly or indirectly, to the Licensor or any of the additional licensees hereinafter provided for, the number of such feet of "licensed film" so ordered by or shipped to the Licensee; the Licensor further agreeing to so arrange or provide for the reports and royalty payments to be made to it by such manufacturer or manufacturers that the latter shall make such reports and royalty payments in gross as to all of the licensees to whom shipments of such "licensed film" are made, and without specifying the number of running feet of "licensed film" so shipped to any of them, either by a statement in writing of the number of such feet or the amount of royalties paid or to be paid by such manufacturer or manufacturers for or on account thereof.

The Licensor and Licensee further mutually covenant and agree that no royalty other than or in addition to that provided for in this paragraph shall be charged to or collected from the Licensee by the Licensor up to June 20, 1910, or during any renewal of this agreement up to August 31, 1914, the date of the expiration of said reissued Letters Patent Nos. 12037 and 12192, and no royalty whatever shall be charged to or collected from the Licensee by the Licensor after either the first, second, and third claims of said reissued Letters Patent No. 12037 and either of the claims of said reissued Letters Patent No. 12192, in any suit as hereinafter provided for, for infringement thereof, are held invalid by a court that last hears and decides such suit, or after August 31, 1914, during any renewal of this agreement; and that the Licensor shall charge royalties or rents for the use of all exhibiting or projecting machines capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, containing the inventions, or any of them, described and claimed in the aforesaid Letters Patent Nos. 578185, 580749, 586953, 588916, 673329, 673992, 707934, 722382, 744251, 770937, 771280, 785205, and 785237, licensed by the Licensor and that all such royalties or rents shall be collected by the Licensor, directly or indirectly from the exhibitors using such machines, and shall be fixed by the Licensor and charged and collected from such exhibitors by the Licensor at such a rate as to average as nearly as possible a royalty or rental of two dollars (\$2.00) per week for each such licensed machine in use.

5. The Licensee further covenants and agrees not to sell or otherwise dispose of or offer for sale, in the "territory aforesaid," unexposed positive or negative "licensed film" during the continuance of this agreement; but this provision shall not prevent the Licensee from selling as refuse, in the "territory aforesaid," second-hand positive or negative motion pictures or motion pictures which have been used or become shopworn or in any way damaged, to a manufacturer or manufacturers of "licensed film" or to a manufacturer to manufacture other articles than film therefrom, but only after they have been rendered by the Licensee unsuitable for use as motion pictures by cutting or otherwise defacing them; or from selling exposed positive or negative film (either waste or in rolls) known as "blank film" for use by dealers, renters, or exhibitors for leaders or for spacing or for similar purposes, but which shall not and cannot be otherwise employed for the exhibition of motion pictures.

6. The Licensee further covenants and agrees not to lease, loan, rent out, sell or offer for sale, or otherwise dispose of in the "territory aforesaid," motion pictures to anyone purchasing or otherwise obtaining, leasing, using, loaning, renting out, selling, offering for sale, or otherwise disposing of or dealing in motion pictures containing the invention of said reissued Letters Patent No. 12192, not the output of the Licensee or of the additional licensees hereinafter provided for.

7. The Licensee further covenants and agrees to mark each and every camera which the Licensee may make or use under this agreement embodying the inventions of reissued Letters Patent No. 12037, Letters Patent Nos. 629063 and 707934, or either of them, with the word "Patented" followed by the dates of grant of all of the said letters patent, the inventions claimed in which are embodied in the said camera or apparatus, and to photographically print the Licensee's trade-mark in each picture of at least one scene of each subject of positive motion pictures on film of a greater width than approximately one (1) inch manufactured by the Licensee and leased in the "lease territory aforesaid," and to mark conspicuously on the labels which shall be placed on boxes or packages containing positive motion pictures on film of a greater width than approximately one (1) inch manufactured by the Licensee in the "territory aforesaid," with the following words and figures:

LICENSED MOTION PICTURES.

Manufactured and leased by and property of

(Patented in the United States August 31, 1897; reissued January 12, 1904).

The enclosed motion picture is leased only and upon the following terms and conditions:

1. That the lessee shall not sell or otherwise dispose of the same outright, but shall have only the right to sublet or use such motion picture.

2. That the lessee shall permit such motion pictures to be exhibited only on motion picture projecting machines licensed by the Motion Picture Patents Company of New Jersey under its patents covering such projecting machines.

3. That the lessee shall not sublet such motion picture or any other motion picture containing the invention of the above reissued patent for use in any motion picture exhibitions at a lower sub-rental price, directly or indirectly, than that agreed upon (if any) in the contract of lease between the lessee and the lessor of this picture.

4. That the lessee or user thereof shall not make or permit others to make any reproduction, commonly known as a "dupe," of such motion picture or any other motion picture containing the inventions of the above reissued patent.

5. That the lessee or user thereof shall not remove the trademark or trade name or title therefrom.

6. That the violation of any of the foregoing conditions entitles the lessor to immediate possession of this motion picture without liability for any price which the lessee or the person in whose possession it is found may have paid therefor.

The Licensor further covenants and agreed to use all possible diligence in licensing exhibiting or projecting machines now in use in the "lease territory aforesaid" embodying any or all of the inventions described and claimed in the said Letters Patent Nos. 578185, 580749, 586953, 588916, 673329, 673992, 707934, 722382, 744251, 770937, 771280, 785205, and 785237, and that royalties or rents from the users of such exhibiting or projecting machines will not be exacted, directly or indirectly, until February 1st, 1909.

8. The Licensee further covenants and agrees not to use, in the production of negative or positive motion pictures, under this agreement, the negative or positive motion pictures (or reproductions commonly known as "duplicates" of the negative or positive motion pictures), of any other manufacturer or person, firm, or corporation located either in the "territory aforesaid" or in any foreign country, whether the same have or have not been copyrighted in the "territory aforesaid" or in any foreign country.

9. The Licensor has established the following scale of minimum prices (which the Licensee admits is a fair and reasonable one) for the lease of positive motion pictures on film of a greater width than approximately one (1) inch in the "lease territory aforesaid" embodying the invention of said reissued Letters Patent No. 12192:

List	13 cents per running foot.
Standing order.....	11 cents per running foot.
Films leased between two and four months after release date	9 cents per running foot.
Films leased between four and six months after release date	7 cents per running foot.
Films leased over six months after release date.....	5 cents per running foot.

The Licensor and Licensee further mutually covenant and agree that the above scale of minimum prices is to remain in force until a new scale of prices is adopted, each such new scale to be adopted, during the continuance of this agreement, by a majority vote to be forthwith communicated to the Licensor of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees on the basis of one vote for each thousand running feet of new subjects on film of a greater width than approximately one (1) inch offered for lease or sale in the "territory aforesaid" by each licensee during the year preceding the taking of such vote; and they further covenant and agree that any changes which may hereafter be so made and communicated to the Licensor in said scale of prices, and of which the Licensee shall be notified in writing by the Licensor, shall be accepted and adopted by the Licensee in the place and stead of the scale of prices above given or of any substitute or substitutes therefor adopted prior to such change. It is, however, expressly mutually covenanted and agreed that in no case shall such new scale of prices, either list or standing order, be less than nine (9) cents per running foot for any motion picture leased within four months of the date of release of the said motion picture.

By the expression "running feet of new subjects" above referred to, and hereafter used, the parties hereto mean the aggregate amount ascertained by adding together the individual number of running feet of one print of each and every new motion picture on film of a greater width than approximately one (1) inch, regularly listed and offered for lease in the "lease territory aforesaid."

The Licensor and License further mutually covenant and agree that in case, during the continuance of this agreement, there should be for any reason only three such licensees, then, and in such case, the Licensor may adopt a minimum scale of prices in the place and stead of the minimum scale of prices above given or of any substitute or substitutes therefor adopted in the manner above provided, which, however, shall in no case be above the minimum scale of prices that may be in force at the time the Licensor adopts the said new minimum scale of prices, which said new minimum scale of prices shall be binding upon the Licensee, but only after receiving notice thereof in writing from the Licensor.

10. The Licensor and Licensee further mutually covenant and agree that an order in the "lease territory aforesaid," for one or more, positive motion pictures of each and every new subject made by the Licensee (except chrono-photographic subjects and other special subjects that are announced and advertised as special by the Licensee and of which no copy or print is leased by the Licensee for less than list price within two (2) months after release date) when offered for lease in the regular order of business, shall constitute a "standing order" within the meaning of the scale of prices aforesaid or any substitute therefor hereafter adopted, said standing order to remain in force for not less than fourteen (14) consecutive days; and the parties hereto further mutually covenant and agree that the minimum price at which any additional positive motion pictures shall be leased, in the "lease territory aforesaid," subsequent to the filling of a standing order, shall be the same per running foot as the pictures furnished on such standing order, unless otherwise provided for in the scale of prices aforesaid or any substitute therefor hereafter adopted. All positive motion pictures which may be hereafter leased in the "lease territory aforesaid," to persons not having a standing order, as above defined, shall in every case be leased at not less than the list price mentioned in said scale of prices or any substitute therefor hereafter adopted, except it be otherwise provided by a

majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid" by each licensee during the year preceding the taking of such vote, and except as provided for in paragraph 12 as to "special motion pictures."

11. The Licensor and Licensee further mutually covenant and agree that positive motion pictures made by or for the Licensee and unsold prior to the date hereof, shall be subject to the scale of prices aforesaid and shall be leased in the "lease territory aforesaid" at not less than the prices fixed in said scale for positive motion pictures as provided for in paragraphs 9 and 10.

12. The Licensor and Licensee further mutually covenant and agree that in the case of so-called "special motion pictures" (where it is agreed by the Licensee that the negative shall be the exclusive property of the person ordering the same, although remaining in the care and custody of the Licensee, and where positive prints therefrom shall be made from time to time on the order of such person), the price to be paid for the making of such negative in the "territory aforesaid" shall not be less than one dollar (\$1) per running foot, and that the price at which positive prints therefrom shall be leased in the "territory aforesaid," shall not be less than fifteen (15) cents per running foot.

13. The Licensee further covenants and agrees not to lease motion pictures in the "lease territory aforesaid," under any circumstances, either directly or indirectly, during the continuance of this agreement, at lower prices than those fixed and established as provided for in paragraphs 9, 10, 11, and 12.

14. It is further and mutually covenanted and agreed by the Licensor and Licensee that the Licensee shall have the right to sell motion pictures in or for "said export territory," and that the prices above referred to in paragraphs 9, 10, 11, and 12, or any substitute or substitutes for the same hereafter adopted, shall not apply to sales or shipments of motion pictures made *bona fide* for export, when the goods, addressed to the purchaser, agent, or consignee, are delivered to the vessel or to a transportation company for transportation to "said export territory," and not otherwise.

The Licensor and Licensee further mutually covenant and agree that in no case shall sales "for export" of motion pictures be knowingly made by the Licensee to persons, firms, or corporations whom such Licensee has reason to believe will reimport them into the "lease territory aforesaid" for sale or use.

15. The Licensor and the Licensee further mutually covenant and agree that, except as provided for in paragraph 5, the Licensee will not sell or lease, or offer for sale or lease in the "territory aforesaid" at reduced prices, second-hand motion pictures or motion pictures which have been used or which have become shopworn or in any way damaged.

16. The Licensor and the Licensee further mutually covenant and agree that in the "lease territory aforesaid," all leases of positive motion pictures shall be at the prices hereinbefore provided for, without the allowance of any discounts or rebates or other reduction (except such as may be adopted by the unanimous votes of all the licensees) by which a lessee might acquire positive motion pictures at lower prices than those set forth in Paragraphs 9, 10, 11, and 12, or any substitutes therefor hereafter adopted, and that the Licensee will not dispose of such positive motion pictures as premiums, or by lottery, or raffle, or any game of chance, or in any way whereby they may be acquired directly or indirectly for less than the prices set forth in paragraphs 9, 10, 11 and 12, or substitutes therefor.

The Licensee further covenants and agrees that, in the "lease territory aforesaid," the Licensee will not sell or offer for sale other goods or merchandise at less than current prices in order to induce the lease of positive motion pictures, nor present or donate other goods or merchandise or prizes, or make use of credit cards or trading stamps, or offer any premiums of any kind whatsoever to induce the lease of such positive motion pictures.

17. It is further mutually covenanted and agreed by and between the Licensor and Licensee that no lease of positive motion pictures on film of a greater width than approximately one (1) inch shall be made in the "lease territory aforesaid" by the Licensee, except upon and subject to the following terms and conditions, the substance of which (with the exception of the condition as to the return of positive motion pictures hereinafter referred to) shall be expressed in a printed notice on the labels, as provided for in paragraph 7, accompanying each positive motion picture, namely: (1)

That the lessee of such positive motion picture shall not sell or otherwise dispose of the same outright, but shall only have the right to use such positive motion picture in giving motion-picture exhibitions in machines licensed by the Licensor under the said letters patent Nos. 578185, 580749, 586953, 588916, 673329, 673992, 707934, 722382, 744251, 770937, 771280, 785205, and 785237, or one or more of them, or under any other letters patent that it may hereafter acquire or control, or to sublease such motion picture for use in such machines, and that (2) the lessee shall not make or permit others to make any reproduction commonly known as a "dupe" of such positive motion picture or any other positive motion picture containing the invention of said reissued Letters Patent No. 12192, or (3) sublease the same or any other positive motion picture on film of a greater width than approximately one (1) inch containing the invention of said reissued Letters Patent No. 12192, for use in giving motion-picture exhibitions at a lower lease price directly or indirectly than that prescribed by the Licensee at the time of the lease of such motion picture, and (4) that the lessee of such positive motion picture shall not remove the trade-mark or trade name or title therefrom, and (5) that the lessee shall return to the Licensee from whom such positive motion picture has been leased (without any payment therefor except the transportation charges incident to the return of the same) on the first day of every month, beginning with February 1, 1909, an amount of positive motion pictures (on film of a greater width than approximately one (1) inch) in running feet (not leased by the Licensee over six months before) and of the make of the licensee, to whom it is returned, equal to the amount that was so leased during the sixth month preceding the date of each such return; with the exception, however, that where any such positive motion pictures are destroyed by fire or lost in transportation, and proof satisfactory to the Licensee is furnished as to such destruction or loss, the amount so destroyed or lost shall be deducted from the amount to be returned, as aforesaid.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that the subleasing price aforesaid for subleasing of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be fixed (and which may be changed in the same manner during the continuance of this agreement, as may also the fifth condition before recited in this paragraph) by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be

licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid" by each licensee during the year preceding the taking of such vote.

The Licensee further covenants and agrees that in the "lease territory aforesaid" the Licensee will not discriminate in favor of any lessee, or place upon any motion pictures any restrictions other than those specified in this paragraph and paragraph 7 hereof, unless authorized by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees.

18. The Licensee covenants and agrees that in the "lease territory aforesaid" the Licensee will dispose of the positive motion pictures, on film of a greater width than approximately one (1) inch, manufactured, produced, or printed by the Licensee, only by the sale "for export" and shipment thereof into "said export territory" or by the lease thereof to others for the purpose only of either subleasing the same to persons, firms, or corporations using such motion pictures for giving exhibitions thereof in exhibiting or projecting machines licensed by the Licensor containing the inventions, or some of them, described and claimed in said Letters Patent Nos. 578185, 580749, 586953, 588916, 673329, 673992, 707934, 722382, 744251, 770937, 771280, 785205, and 785237, or in letters patent hereafter acquired or controlled by the Licensor, or of using the same in such machines so licensed; and will not use the same for the purpose of giving exhibitions thereof for profit, directly or indirectly; it being expressly understood and agreed by and between the Licensor and Licensee, however, that the Licensee shall be at liberty to give exhibitions of such positive motion pictures without profit, directly or indirectly, and to possible or prospective lessees or purchasers thereof; and the Licensee further covenants and agrees not to knowingly allow positive motion pictures, on film of a greater width than approximately one (1) inch, manufactured by the Licensee under this agreement, to be leased for use with any exhibiting or projecting machine not licensed by the Licensor under the letters patent mentioned in this paragraph, and that it may hereafter acquire or control, or one or more of them, except by and with the consent of the Licensor; and also to refrain from supplying such motion pictures manufactured or imported under this agreement, for use with any exhibiting or projecting machine the license for which, under the

aforesaid letters patent, or one or more of them, has been terminated, and the Licensee has been notified thereof by the Licensor; and also to refrain from supplying such motion pictures manufactured and imported under this agreement to any lessee who may sublet such motion pictures to persons, firms, or corporations using the same for giving exhibitions thereof in exhibiting or projecting machines not licensed by the Licensor as aforesaid, or the license for which has been terminated and the Licensee has been notified by the Licensor that any such lessee continues to so sublet such motion pictures after being notified by the Licensor not to do so; and the Licensor covenants and agrees to promptly notify any such lessee who may so sublet such motion pictures, after it has knowledge of any such subletting, and to notify the Licensee and the additional licensees hereafter provided for, or such of them as may at the time be licensees, of the termination of any license for the use of any exhibiting or projecting machines under the aforesaid letters patent, or any of them, and of any such lessee who may so sublet such motion pictures, after being notified by it not to do so, and to compel all such additional licensees to refrain from supplying motion pictures for use with any such exhibiting or projecting machine the license for which has been so terminated, or to any such lessee.

19. The Licensor and Licensee further mutually covenant and agree that the Licensor shall and will, during the continuance of this agreement, promptly institute suits against any and all infringers of the letters patent, or any of them, mentioned in this agreement, on the request of a majority of the licensees, including the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, and will thereafter diligently prosecute any such suit or suits to final hearing and decision; all expense connected with the institution and prosecution of such suit or suits to be borne by the Licensor, who shall also be entitled to receive and apply to its own use all recoveries had therein for damages and profits.

The Licensor and Licensee further mutually covenant and agree that if in case any such suit is brought upon said reissued Letters Patent Nos. 12037, 12192, or said Letters Patent Nos. 586953 or 722382, either of the claims of said reissued Letters Patent No. 12192 or either of the first, second, or third claims of said reissued Letters Patent No. 12037, or any of the claims in issue in any such suit upon said Letters Patent Nos. 586953 or 722382, is or are held invalid by

a court that last hears and decides such suit, or should be held by such court not to be infringed, then, and in any such case, the Licensee may at once terminate this agreement and the license thereby granted, by giving notice of its election so to do to the Licensor.

The Licensor and Licensee further mutually covenant and agree that the Licensor may, at its own expense (except as hereinafter provided), during the continuance of this agreement, institute and prosecute suits against any of the several additional licensees hereinafter provided for, for any breach or violation on the part of any such licensee of the covenants respecting prices at which positive motion pictures shall be leased in the "lease territory aforesaid," and also for violation of any of the other terms, conditions, or stipulations entered into by such licensee; that the Licensor shall at the end of each year, counting from the day and year first above written, render to the Licensee and the other licensees hereinafter provided for, or such of them as may at the time be licensees, a statement in writing showing in detail all legal expenses incurred by it during such year in the prosecution of such suit or suits; and that up to, but not exceeding, the sum of twenty thousand dollars (\$20,000) for any such year, all such legal expenses, in so far as they may be reasonable and proper, shall be borne and paid by the Licensee and the several additional licensees hereinafter provided for, *pro rata* according to the number of thousand running feet of new subjects, offered for lease by each relatively to the total number of thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale by all in the "territory aforesaid," during the year preceding the rendition of such statement, any legal expenses in excess of said twenty-thousand dollars (\$20,000) during any such year to be borne and paid by the Licensor unless the Licensor and the Licensee and the several additional licensees hereinafter provided for should hereafter mutually agree otherwise.

20. It is mutually covenanted and agreed by and between the Licensor and Licensee that the Licensor may grant other licenses under said reissued Letters Patent Nos. 12037 and 12192 and said Letters Patent Nos. 629063 and 707934, so far as the use of the inventions thereof in cameras is concerned, said licenses to be in writing and not to exceed nine in number, seven to be to the persons and corporations mentioned in paragraph *c* as having license agreements with the Edison Company, one to the Edison Company, and one to

George Kleine, of Chicago, Illinois (except by a majority vote of the Licensee and the nine other licensees, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid" by such licensees during the year preceding the taking of such vote), and not to be granted or continued upon terms, conditions, or stipulations which are in any respect more favorable to the licensees named therein than those set forth in this agreement (except to the Edison Company, and it shall only be more favorable to it in the matter of the payment of royalties to the Licensor), and in the case of the license to George Kleine it shall be so restricted as to prohibit said Kleine from manufacturing negative motion pictures in "the territory aforesaid," and from manufacturing from imported negative motion pictures positive motion pictures, and importing positive motion pictures in all more than three thousand "running feet of new subjects" per week: *Provided, however,* That if any of such additional nine licenses should be terminated during the continuance of this agreement, then and in each such case the Licensor may grant a license in writing to some other motion-picture manufacturer, but not on terms, conditions, or stipulations which are more favorable as to such new licensee than those set forth in this agreement.

It is further mutually covenanted and agreed by and between the Licensor and the Licensee that the Licensor will, during the continuance of this agreement, license such a number of persons, firms, or corporations under said Letters Patent Nos. 578185, 580749, 586953, 588916, 673329, 673992, 707934, 772382, 744251, 770937, 771280, 785205, and 785237, to make and sell exhibiting or projecting machines containing the inventions described and claimed in the same, capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, and also such machines not capable of exhibiting or projecting motion pictures on film of a greater width than approximately one (1) inch, as will be able to supply the demand for the same; and that it shall not, and it hereby covenants and agrees that it will not, during the continuance of this agreement, license any person, firm, or corporation under said letters patent or any of them to make or sell any such exhibiting or projecting machine containing any of the inventions described and claimed in said letters patent, and capable of exhibiting or projecting motion pictures on film of a width greater than approximately one

(1) inch, except upon the conditions and restrictions that the sale and purchase of such machine gives only the right to use it solely for exhibiting or projecting motion pictures containing the inventions of said reissued Letters Patent No. 12192 leased by a licensee of the Licensor, while it owns or controls the letters patent under which such machine is licensed and upon other terms to be fixed by the Licensor while in use, and while the letters patent under which it is licensed are owned or controlled by the Licensor (which other terms shall only be the payment of a royalty or rental to the Licensor while in use, as hereinbefore provided for), and that there shall be attached to each such machine, in a conspicuous place, a plate, which is not to be removed therefrom, showing plainly not only the dates of the letters patent under which it is licensed, but also the aforesaid conditions or restrictions.

The Licensor further covenants and agrees that it will not charge any such person, firm, or corporation manufacturing and selling any such machine capable of exhibiting or projecting motion pictures on a film of a width greater than approximately one (1) inch, more than five dollars (\$5) as a license fee for the sale of each such exhibiting or projecting machine sold by any such person, firm, or corporation.

The Licensor further covenants and agrees that it will not license any person, firm, or corporation to make or sell any exhibiting or projecting machine containing any of the inventions described and claimed in the aforesaid letters patent which is not capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, except upon the conditions and restrictions that such machine be used solely for exhibiting or projecting motion pictures on film not wider than approximately one (1) inch, in places where no admission fee is charged, and that there shall be attached to each such machine in a conspicuous place, a plate, which is not to be removed therefrom, showing plainly, not only the dates of the letters patent under which it is licensed, but also the aforesaid conditions or restrictions, and that the Licensor will not charge to any person, firm, or corporation making or selling any such machine a license fee of more than 5 per cent. of the net retail selling price of each such machine.

The Licensor further covenants and agrees that it will grant a license to the Licensee, upon its request, to manufacture and sell exhibiting or projecting machines under the letters patent, and upon

the condition as to the payment of the license fees or royalties and the other conditions and restrictions, as provided for in this paragraph, and will also grant similar licenses upon the same conditions as to the payment of the license fees or royalties and the other conditions and restrictions, to such of the additional licensees hereinbefore provided for who may request the same, except that the said American Mutoscope & Biograph Company is not to pay any such license fees or royalties; and will also grant a license to the Licensee and any such additional licensees who may request the same, to make and sell exhibiting or projecting machines under any other letters patent and containing the inventions described and claimed therein that the Licensor may hereafter acquire or control, upon the payment of additional license fees or royalties to be fixed by the Licensor, and subject to similar conditions and restrictions and the placing upon the machines of plates containing such conditions and restrictions as are provided for in this paragraph respecting exhibiting or projecting machines made and sold under the letters patent now owned by the Licensor mentioned in this paragraph, the royalty or license fee, and all other conditions and restrictions of such last-named licenses to be the same for the Licensee and such other licensees.

It is mutually covenanted and agreed, however, by and between the Licensor and Licensee that the Licensor shall have the right to grant, and that it will grant, licenses to persons, firms, and corporations upon their request (including the Licensee) to manufacture and sell exhibiting or projecting machines containing the inventions described and claimed in the aforesaid letters patent now owned by the Licensor, capable of exhibiting or projecting, by reflected light, animated pictures on film of any width, but not capable of exhibiting or projecting the same by transmitted light, upon the payment of a royalty or license fee not to exceed 5 per cent. of the net retail selling price of each such machine, and upon the condition that they be used only in places where no admission fee is charged, which condition shall appear on a plate to be attached to each such machine; and also that it will grant licenses to such persons, firms, and corporations to manufacture and sell such exhibiting or projecting machines containing the inventions described and claimed in any letters patent that the Licensor may hereafter own or control, subject to similar conditions or restrictions and upon the payment of additional license fees or royalties to be fixed by the Licensor; the royalty or license

fee, and all the conditions and restrictions of all such licenses, to be the same for the Licensee and such other licensees.

20a. It is further mutually covenanted and agreed by and between the Licensor and Licensee that in case the Licensor should be notified by the Licensee or it should otherwise come to its knowledge that any such additional Licensee has knowingly or through gross neglect or carelessness broken, violated, or failed to perform any of the terms, conditions, or stipulations of the license granted by the Licensor, resulting in substantial injury to the Licensor, or the Licensee or the additional Licensees aforesaid, the Licensor will promptly notify such Licensee in writing of such breach, violation, or nonperformance, and if such Licensee should, for a period of forty (40) days after such notice, persist in or fail to correct, repair, or remedy the same, the Licensor shall at once terminate the license to such Licensee; and that in case any such Licensee should be guilty of a second grossly neglectful, careless or knowing breach, violation, or nonperformance of such terms, conditions, or stipulations, resulting in substantial injury to the Licensor, or the Licensee or the additional Licensees aforesaid, then, and in such case, the Licensor shall terminate the license to such Licensee by giving the latter thirty (30) days' notice in writing of its intention so to do.

20b. The Licensor and Licensee further mutually covenant and agree that by the expression "motion pictures," as used in the foregoing agreement, is meant transparent or translucent tape-like film having photographs thereon of objects in motion.

21. It is further mutually covenanted and agreed by and between the Licensor and Licensee that unless sooner terminated, as hereinbefore or hereinafter provided, this agreement and the license granted thereby shall take effect January 1, 1909, and shall continue until June 20, 1910, but that the Licensee may renew this agreement and license thereafter from year to year upon the same terms, conditions, and stipulations as herein provided, by giving notice to the Licensor on or before April 20 of each year, beginning with the year 1910, of the Licensee's election to so renew this agreement and license, and upon the giving of each such notice this agreement and the license thereby granted shall be considered and treated by the Licensor and Licensee as renewed for a period of one year, beginning June 20 of the year following such notice, except that the last renewal period shall be for the period from June 20, 1914, to August 26, 1919, the date of expiration of the Letters Patent No. 707934.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that if, during said original term or during any such renewal period, either party should, knowingly or through gross neglect or carelessness, be guilty of a breach, violation, or non-performance of its covenants, conditions, and stipulations, resulting in substantial injury to the other party, and should, for the period of forty (40) days after notice thereof from the other party, persist therein or fail to correct, repair, or remedy the same, then and in such case the party aggrieved may terminate this agreement by giving notice in writing to the guilty party of its intention so to do. It is, however, mutually covenanted and agreed by and between the Licensor and Licensee, that if the guilty party should correct, repair, or remedy such breach, violation, or nonperformance of its covenants, conditions, and stipulations within the said period of forty (40) days after such notice, and should thereafter knowingly or through gross neglect or carelessness be guilty of a second breach, violation, or nonperformance of its covenants, conditions, and stipulations, resulting in substantial injury to the other party, then and in such case, the party aggrieved may terminate this agreement by giving thirty (30) days' notice in writing to the guilty party of its intention so to do. Such termination of the agreement, however, shall not prejudice either party hereto in the recovery of damages because of any such breach, violation, or nonperformance by the other party hereto.

22. All notices provided for in this agreement shall be in writing and shall be given by delivering the same to the Licensor or Licensee, as the case may be, or to an officer of the Licensor or Licensee, as the case may be, or by depositing such notice, postage prepaid, in any post office of the United States, in a sealed envelope directed to the Licensor or the Licensee, as the case may be, at its last known post-office address, to be forwarded by registered mail.

23. It is mutually covenanted and agreed by and between the Licensor and Licensee that after notice of the termination of this agreement and the license granted thereby by either party, as provided for in paragraphs 19 and 21 of this agreement, and after the same have been terminated, no matter what the cause or manner of termination may be, neither this license agreement, nor the fact that the Licensee has entered into or acted under it, shall be used in any manner, directly or indirectly, by or for the Licensor, its successors, assigns, or legal representatives, or by or for others with its or their

consent or permission, against the Licensee, or the Licensee's successors or legal representatives, in any litigation, controversy, or proceeding involving the Licensee or them or any other persons, firms, or corporations, or in any other way, it being understood and agreed that upon such termination the positions and rights of the Licensor and Licensee shall be the same as if this agreement had not been made; *provided, however*, that the rights of neither party shall be prejudiced by such termination in the recovery of damages for any breach or other violation of this agreement by the other occurring prior to such termination.

In witness whereof the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENT COMPANY,

By Frank L. Dyer,
President.

(Seal)

Attest:

George F. Scull,
Secretary.

AMERICAN MUTOSCOPE AND BIOGRAPH COMPANY,

By J. J. Kennedy,
President.

(Seal)

Attest:

W. H. Bruenner,
Secretary.

21.

LICENSE AGREEMENT.

(a) THIS AGREEMENT, made this 18th day of December, 1908, by and between MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Jersey City, in said State, party of the first part (hereinafter referred to as the LICENSOR), and the EDISON MANUFACTURING COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Orange, in said State, party of the second part (hereinafter referred to as the LICENSEE or the EDISON COMPANY), WITNESSETH:

(b) WHEREAS, the Licensor represents that it is organized to own, deal in and grant licenses under Letters Patent pertaining to the motion picture art, and that it is the owner of all the right, title and interest in and to United States Letters Patent:

No. 578,185, dated March 2, 1897, for Vitascope, granted to Thomas Armat;

No. 580,749, dated April 13, 1897, for Vitascope, granted to Thomas Armat;

No. 586,953, dated July 20, 1897, for Phantoscope, granted to Charles F. Jenkins and Thomas Armat;

No. 588,916, dated August 24, 1897, for Kinetoscope, granted to Charles M. Campbell as the assignee of Willard G. Stewart and Ellis F. Frost;

No. 629,063, dated July 18, 1899, for Kinetoscopic Camera, granted to American Mutoscope Company as the assignee of Herman Casler;

No. 673,329, dated April 30, 1901, for Kinetoscope, granted to The American Vitagraph Company as the assignee of Albert E. Smith;

No. 673,992, dated May 14, 1901, for Vitascope, granted to Thomas Armat;

No. 707,934, dated August 26, 1902, for Projecting Kinetoscope, granted E. & H. T. Anthony & Co. as assignees of Woodville Latham;

No. 722,382, dated March 10, 1903, for Animated Picture Apparatus, granted to American Mutoscope & Biograph Company as the assignee of John A. Pross;

No. 744,251, dated November 17, 1903, for Kinetoscope, granted Albert E. Smith;

No. 770,937, dated September 27, 1904, for Kinetoscope, granted The Vitagraph Company of America as the assignee of Albert E. Smith;

No. 771,280, dated October 4, 1904, for Winding-Reel, granted Albert E. Smith;

No. 785,205, dated March 21, 1905, for Flame-Shield for Kinetoscopes, granted The Vitagraph Company of America as the assignee of William Ellwood; and

No. 785,237, dated March 21, 1905, for Film-Holder for Kinetoscopes, granted The Vitagraph Company of America as the assignee of Albert E. Smith;

all of which said Letters Patent relate to improvements in the motion picture art, and that there are no outstanding licenses, shop rights or other rights under said Letters Patent, or either of them, except a license for Parlor Kinetoscopes granted The Karmata Company, of Washington, D. C., under Letters Patent Nos. 578,185, 580,749, 586,953 and 673,992, and certain alleged licenses under U. S. Letters Patent No. 586,953, which are in dispute, claimed to be owned by the Edison Company and the American Graphophone Company, of Washington, D. C., and S. Lubin, of Philadelphia, Pennsylvania; and excepting a license granted by the American Mutoscope & Biograph Company to the firm of Marvin and Casler to manufacture and sell cameras and exhibiting or projecting machines under Letters Patent owned by it (some of which are hereinbefore referred to) for use in foreign countries only, and excepting certain licenses granted by the Armat Motion Picture Company to the American Mutoscope & Biograph Company under Letters Patent Nos. 578,185, 580,749, 586,953, 588,916 and 673,992, and by the latter Company to the former Company under Patents Nos. 707,934 and 722,382, which licenses are, however, by agreement between said parties, suspended and are not to be acted upon until the Licensor becomes bankrupt, ceases doing business or shall be dissolved voluntarily or otherwise, or its Charter shall be repealed; and

(c) WHEREAS, the Licensor is the owner of all the right, title and interest in and to reissued Letters Patent of the United States numbered 12,037, dated September 30, 1902, and 12,192, dated January 12, 1904, the original Letters Patent whereof are numbered 589,168 and dated August 31, 1897, and that there are no

outstanding licenses, shop rights or other rights under said reissued Letters Patent, or either of them, except license agreements thereunder between the Edison Company and Pathe Freres, of New York, dated May 20, 1908 (to go into effect June 20, 1908), and between the Edison Company and the Kalem Company, of New York; the Essanay Company, of Chicago; Siegmund Lubin, of Philadelphia; George Melies Company, of Chicago, Illinois; the Selig Polyscope Company, of said Chicago, and the Vitagraph Company of America, of New York, all dated January 31, 1908; and

(d) WHEREAS, the Edison Company and the licensees before mentioned under the said reissued Letters Patent numbered 12,037 and 12,192, have suspended the operation of the said license agreements; and

(e) WHEREAS, the Licensee is engaged in the manufacture and sale of motion pictures, including the printing of positive motion pictures from negative motion pictures of the Licensee's own production, and, relying upon the aforesaid representations of the Licensor, and induced thereby, desires to obtain from the Licensor a license under said two reissued Letters Patent numbered 12,037 and 12,192, and Letters Patent Nos. 629,063 and 707,934, and to lease positive motion pictures, for use in exhibiting or projecting machines containing the inventions, or any of them, described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and to sell positive motion pictures on film of a width approximately one (1) inch or less in certain territory and on film of any width in certain territory;

(f) NOW THEREFORE, the parties hereto, for and in consideration of the sum of One Dollar to each in hand paid by the other, and for other good and valuable considerations from each to the other moving, receipt of all of which is hereby acknowledged, have agreed as follows:

1. The Licensor hereby grants to the Licensee for the term and subject to the covenants, conditions and stipulations hereinafter expressed, the right and license under said reissued Letters Patent No. 12,037 and Letters Patent Nos. 629,063 and 707,934, for the United States, its territories, dependencies and possessions (hereinafter called the "territory aforesaid") to manufacture and use such a number of cameras embodying the inventions of said reissued Letters Patent No. 12,037 and Letters Patent Nos. 629,063 and 707,934, as

may be necessary for the proper conduct of the Licensee's business, and to manufacture, print and produce positive motion pictures embodying the inventions of said reissued Letters Patent No. 12,192, and to lease the same in the United States, its territories, dependencies and possessions (with the exceptions of its insular possessions and Alaska), hereinafter referred to as the "lease territory aforesaid," on film of a greater width than approximately one (1) inch, upon condition that they be used solely in exhibiting or projecting machines containing the inventions or some of them of said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and licensed by the Licensor, and to sell positive motion pictures embodying the invention of said reissued Letters Patent No. 12,192, on film of a width approximately one (1) inch or less in the "lease territory aforesaid" and on film of any width in or for said insular possessions and Alaska and foreign countries, hereinafter referred to as "said export territory" or "for export."

The license hereby granted is personal to the Licensee and does not include the right to dispose of, in the "territory aforesaid," any cameras embodying any invention covered by said reissued Letters Patent No. 12,037 and Letters Patent Nos. 629,063 and 707,934; and, in the event of the permanent discontinuance or retirement from business of the Licensee for a period of six consecutive months, the license hereby granted shall be immediately terminated.

2. The Licensor, for itself, its successors, assigns and legal representatives, hereby releases, acquits and discharges the Licensee from any and all claims, demands and liability for profits and damages, because of any infringement by the Licensee of any or all of the aforesaid United States Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and reissued Letters Patent Nos. 12,037 and 12,192, or use by the Licensee of the inventions, or any of them, covered by said Letters Patent or either of them prior to the date hereof.

3. The Licensee hereby recognizes and admits the validity of said reissued Letters Patent No. 12,037, so far as the first three claims thereof are concerned, and the validity of said reissued Letters Patent No. 12,192 and Letters Patent Nos. 578, 185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937,

771,280, 785,205, and 785,237, and the Licensee agrees not to contest or question the same during the continuance of this agreement.

4. The Licensee covenants and agrees that in the manufacture of motion pictures, both negative and positive in the "territory aforesaid," during the continuance of this agreement, the Licensee will use exclusively sensitized film manufactured and sold in the United States by a manufacturer or manufacturers authorized by the Licensor, such sensitized film hereinafter called "Licensed Film," and that the Licensee will not, in the "territory aforesaid," purchase or otherwise acquire or lease or sell or otherwise dispose of or deal in, motion pictures produced on or by the use of any other film than such "Licensed Film," nor sell or otherwise dispose of any negative motion pictures.

The Licensor further covenants and agrees that it will, in an agreement in writing with each manufacturer of "Licensed Film," obligate such manufacturer, so long as the latter has the exclusive right to make and sell such "Licensed Film," not to knowingly furnish or sell, in the "territory aforesaid," except "for export," sensitized film for the commercial production of negative and positive motion pictures to any one but the Licensee, and the additional licensees hereinafter provided for, except to the extent of $21\frac{1}{2}\%$ of the total amount of such "Licensed Film" supplied by such manufacturer to the parties to the license agreements referred to in Paragraph (c) during the year preceding June 20, 1909, and to the Licensee and the additional licensees hereinafter provided for, during any one year thereafter during the continuance of such agreement, which amount such manufacturer shall have the right to furnish or sell, in the "territory aforesaid," to persons not engaged in the business of manufacturing, leasing, selling, loaning, renting out, or otherwise disposing of or dealing in motion pictures in the "territory aforesaid"; and with the further exception that such manufacturer may also reserve the right to manufacture and sell sensitized film suitable for the commercial production of negative and positive motion pictures, of a width not to exceed approximately one (1) inch in the "territory aforesaid," to persons, firms and corporations engaged in the business of manufacturing, leasing, selling, loaning, renting out or otherwise disposing of or dealing in motion pictures in the "territory aforesaid," but upon the condition that in case any of them produces thereon any picture greater in size

than approximately three-quarters ($\frac{3}{4}$) of an inch on a line either parallel to or at right angles to the edge of such film, and such manufacturer has knowledge thereof, such manufacturer will cease supplying such film to any person, firm or corporation so doing; and with the further exception that such manufacturer may also reserve the right to manufacture and sell in the "territory aforesaid" such sensitized film suitable for the commercial production of negative and positive motion pictures of any width, to persons, firms and corporations now having an established business of manufacturing motion pictures in any country foreign to the United States, who now manufacture negative and positive motion pictures in the United States, or who may after the date of this agreement commence the manufacture of negative or positive motion pictures in the United States.

The Licensor further agrees that the dealings between the Licensee and the authorized manufacturer or manufacturers from whom the Licensee purchases such "Licensed Film" shall, insofar as the number of running feet ordered by or shipped to the Licensee or anything that would indicate or disclose the number of such feet is concerned, be a matter of confidence between the Licensee and such manufacturer or manufacturers, who shall not be at liberty to disclose, and moreover shall be bound in writing not to disclose, directly or indirectly, to the Licensor or any of the additional licensees hereinafter provided for, the number of such feet of "Licensed Film" so ordered by or shipped to the Licensee; the Licensor further agreeing to so arrange or provide for the reports and royalty payments to be made to it by such manufacturer or manufacturers that the latter shall make such reports and royalty payments in gross, as to all of the licensees to whom shipments of such "Licensed Film" are made, and without specifying the number of running feet of "Licensed Film" so shipped to any of them, either by a statement in writing of the number of such feet or the amount of royalties paid or to be paid by such manufacturer or manufacturers for or on account thereof.

The Licensor and Licensee further mutually covenant and agree that no royalty shall be charged to or collected from the Licensee by the Licensor up to June 20, 1910, or during any renewal of this agreement; and that the Licensor shall charge royalties or rents for the use of all exhibiting or projecting machines containing the

inventions, or any of them, described and claimed in the aforesaid Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, licensed by the Licensor and that all such royalties or rents shall be collected by the Licensor, directly or indirectly, from the exhibitors using such machines, and shall be fixed by the Licensor and charged and collected from such exhibitors by the Licensor at such a rate as to average as nearly as possible a royalty or rental of Two Dollars (\$2.00) per week for each such licensed machine in use.

5. The Licensee further covenants and agrees not to sell or otherwise dispose of or offer for sale, in the "territory aforesaid," unexposed positive or negative "Licensed Film" during the continuance of this agreement; but this provision shall not prevent the Licensee from selling as refuse, in the "territory aforesaid," second-hand positive or negative motion pictures or motion pictures which have been used or become shop-worn or in any way damaged, to a manufacturer or manufacturers of "Licensed Film" or to a manufacturer to manufacture other articles than film therefrom, but only after they have been rendered by the Licensee unsuitable for use as motion pictures by cutting or otherwise defacing them; or from selling exposed positive or negative film (either waste or in rolls) known as "blank film" for use by dealers, renters or exhibitors for leaders or for spacing or for similar purposes, but which shall not and cannot be otherwise employed for the exhibition of motion pictures.

6. The Licensee further covenants and agrees not to lease, loan, rent out, sell or offer for sale, or otherwise dispose of in the "territory aforesaid," motion pictures to anyone purchasing or otherwise obtaining, leasing, using, loaning, renting out, selling, offering for sale, or otherwise disposing of, or dealing in, motion pictures containing the invention of said reissued Letters Patent No. 12,192, not the output of the Licensee or of the additional licensees hereinafter provided for.

7. The Licensee further covenants and agrees to mark each and every camera which the Licensee may make or use under this agreement embodying the inventions of reissued Letters Patent No. 12,037, Letters Patent Nos. 629,063 and 707,934, or either of them, with the word "PATENTED" followed by the dates of grant of all of the said Letters Patent, the inventions claimed in which are

embodied in the said camera or apparatus, and to photographically print the Licensee's trade mark in each picture of at least one scene of each subject of positive motion pictures on film of a greater width than approximately one (1) inch manufactured by the Licensee and leased in the "lease territory aforesaid," and to mark conspicuously on the labels which shall be placed on boxes or packages containing positive motion pictures on film of a greater width than approximately one (1) inch manufactured by the Licensee in the "territory aforesaid," with the following words and figures:

LICENSED MOTION PICTURE.

Manufactured and Leased by and Property of

(Patented in the United States August 31, 1897;
reissued January 12, 1904.)

The enclosed motion picture is leased only and upon the following terms and conditions:—

1. That the lessee shall not sell or otherwise dispose of the same outright, but shall have only the right to sub-let or use such motion picture.
2. That the lessee shall permit such motion pictures to be exhibited only on motion picture projecting machines licensed by the Motion Picture Patents Company of New Jersey under its patents covering such projecting machines.
3. That the lessee shall not sub-let such motion picture or any other motion picture containing the invention of the above reissued patent for use in any motion picture exhibitions at a lower sub-rental price, directly or indirectly, than that agreed upon (if any) in the contract of lease between the lessee and the lessor of this picture.
4. That the lessee or user thereof shall not make or permit others to make any reproduction, commonly known as a "dupe," of such motion picture or any other motion picture containing the inventions of the above reissued patent.
5. That the lessee or user thereof shall not remove the trade-mark or trade name or title therefrom.

6. That the violation of any of the foregoing conditions entitles the lessor to immediate possession of this motion picture without liability for any price which the lessee or the person in whose possession it is found, may have paid therefor.

The Licensor further covenants and agrees to use all possible diligence in licensing exhibiting or projecting machines now in use in the "lease territory aforesaid" embodying any or all of the inventions described and claimed in the said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and that royalties or rents from the users of such exhibiting or projecting machines will not be exacted, directly or indirectly, until February 1, 1909.

8. The Licensee further covenants and agrees not to use, in the production of negative or positive motion pictures, under this agreement, the negative or positive motion pictures, (or reproductions commonly known as "dupes" of the negative or positive motion pictures), of any other manufacturer or person, firm or corporation, located either in the "territory aforesaid" or in any foreign country, whether the same have or have not been copyrighted in the "territory aforesaid" or in any foreign country.

9. The Licensor has established the following scale of minimum prices (which the Licensee admits is a fair and reasonable one) for the lease of positive motion pictures on film of a greater width than approximately one (1) inch in the "lease territory aforesaid," embodying the invention of said reissued Letters Patent No. 12,192:

List.....	13	cents	per	running	foot:
Standing order	11	"	"	"	"
Films leased between two and four					
months after release date.....	9	"	"	"	"
Films leased between four and six					
months after release date.....	7	"	"	"	"
Films leased over six months after					
release date	5	"	"	"	"

The Licensor and Licensee further mutually covenant and agree that the above scale of minimum prices is to remain in force until a new scale of prices is adopted, each such new scale to be adopted, during the continuance of this agreement, by a majority vote to be forthwith communicated to the Licensor of the Licensee and the

several additional licensees hereinafter provided for, or such of them as may at the time be licensees on the basis of one vote for each thousand running feet of new subjects on film of a greater width than approximately one (1) inch offered for lease or sale in the "territory aforesaid" by each licensee during the year preceding the taking of such vote; and they further covenant and agree that any changes which may hereafter be so made and communicated to the Licensor in said scale of prices, and of which the Licensee shall be notified in writing by the Licensor, shall be accepted and adopted by the Licensee in the place and stead of the scale of prices above given or of any substitute or substitutes therefor adopted prior to such change. It is, however, expressly mutually covenanted and agreed that in no case shall such new scale of prices, either list or standing order, be less than nine (9) cents per running foot for any motion picture leased within four months of the date of release of the said motion picture.

By the expression, "running feet of new subjects," above referred to, and hereafter used, the parties hereto mean the aggregate amount ascertained by adding together the individual number of running feet of one print of each and every new motion picture on film of a greater width than approximately one (1) inch, regularly listed and offered for lease in the "lease territory aforesaid."

The Licensor and Licensee further mutually covenant and agree that in case, during the continuance of this agreement, there should be for any reason only three such licensees, then, and in such case, the Licensor may adopt a minimum scale of prices in the place and stead of the minimum scale of prices above given or of any substitute or substitutes therefor adopted in the manner above provided, which, however, shall in no case be above the minimum scale of prices that may be in force at the time the Licensor adopts the said new minimum scale of prices, which said new minimum scale of prices shall be binding upon the Licensee, but only after receiving notice thereof in writing from the Licensor.

10. The Licensor and Licensee further mutually covenant and agree that an order in the "lease territory aforesaid," for one or more positive motion pictures of each and every new subject made by the Licensee, (except chrono-photographic subjects and other special subjects that are announced and advertised as special by the Licensee and of which no copy or print is leased by the Licensee for

less than list price within two (2) months after release date) when offered for lease in the regular order of business, shall constitute a "standing order" within the meaning of the scale of prices aforesaid or any substitute therefor hereafter adopted, said standing order to remain in force for not less than fourteen (14) consecutive days; and the parties hereto further mutually covenant and agree that the minimum price at which any additional positive motion pictures shall be leased, in the "lease territory aforesaid," subsequent to the filling of a standing order, shall be the same per running foot as the pictures furnished on such standing order, unless otherwise provided for in the scale of prices aforesaid or any substitute therefor hereafter adopted. All positive motion pictures which may be hereafter leased in the "lease territory aforesaid," to persons not having a standing order, as above defined, shall in every case be leased at not less than the list price mentioned in said scale of prices or any substitute therefor hereafter adopted, except it be otherwise provided by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid" by each licensee during the year preceding the taking of such vote, and except as provided for in Paragraph 12 as to "special motion pictures."

11. The Licensor and Licensee further mutually covenant and agree that positive motion pictures made by or for the Licensee and unsold prior to the date hereof, shall be subject to the scale of prices aforesaid and shall be leased in the "lease territory aforesaid," at not less than the prices fixed in said scale for positive motion pictures as provided for in Paragraphs 9 and 10.

12. The Licensor and Licensee further mutually covenant and agree that in the case of so-called "special motion pictures," (where it is agreed, by the Licensee, that the negative shall be the exclusive property of the person ordering the same, although remaining in the care and custody of the Licensee, and where positive prints therefrom shall be made from time to time on the order of such person), the price to be paid for the making of such negative in the "territory aforesaid" shall not be less than one dollar (\$1.00) per running foot, and that the price at which positive prints therefrom

shall be leased in the "territory aforesaid," shall not be less than fifteen (15) cents per running foot.

13. The Licensee further covenants and agrees not to lease motion pictures in the "lease territory aforesaid," under any circumstances, either directly or indirectly, during the continuance of this agreement, at lower prices than those fixed and established as provided for in Paragraphs 9, 10, 11 and 12.

14. It is further and mutually covenanted and agreed by the Licensor and Licensee that the Licensee shall have the right to sell motion pictures in or for "said export territory," and that the prices above referred to in Paragraphs 9, 10, 11 and 12, or any substitute or substitutes for the same hereafter adopted, shall not apply to sales or shipments of motion pictures made *bona fide* for export, when the goods, addressed to the purchaser, agent or consignee, are delivered to the vessel or to a transportation company for transportation to "said export territory," and not otherwise.

The Licensor and the Licensee further mutually covenant and agree that in no case shall sales "for export" of motion pictures be knowingly made by the Licensee to persons, firms or corporations whom such Licensee has reason to believe will reimport them into the "lease territory aforesaid" for sale or use.

15. The Licensor and the Licensee further mutually covenant and agree that, except as provided for in Paragraph 5, the Licensee will not sell or lease, or offer for sale or lease, in the "territory aforesaid" at reduced prices, second-hand motion pictures or motion pictures which have been used or which have become shop-worn or in any way damaged.

16. The Licensor and the Licensee further mutually covenant and agree that in the "lease territory aforesaid," all leases of positive motion pictures shall be at the prices hereinbefore provided for, without the allowance of any discounts or rebates or other reduction (except such as may be adopted by the unanimous votes of all the licensees) by which a lessee might acquire positive motion pictures at lower prices than those set forth in Paragraphs 9, 10, 11 and 12, or any substitutes therefor hereafter adopted, and that the Licensee will not dispose of such positive motion pictures as premiums, or by lottery, or raffle, or any game of chance, or in any way whereby they may be acquired directly or indirectly for less than the prices set forth in Paragraphs 9, 10, 11 and 12, or substitutes therefor.

The Licensee further covenants and agrees that, in the "lease territory aforesaid," the Licensee will not sell or offer for sale other goods or merchandise at less than current prices in order to induce the lease of positive motion pictures, nor present or donate other goods or merchandise or prizes, or make use of credit cards or trading stamps, or offer any premiums of any kind whatsoever to induce the lease of such positive motion pictures.

17. It is further mutually covenanted and agreed by and between the Licensor and Licensee that no lease of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be made in the "lease territory aforesaid" by the Licensee, except upon and subject to the following terms and conditions, the substance of which (with the exception of the condition as to the return of positive motion pictures hereinafter referred to) shall be expressed in a printed notice on the labels, as provided for in Paragraph 7, accompanying each positive motion picture, namely: (1) that the lessee of such positive motion picture shall not sell or otherwise dispose of the same outright, but shall only have the right to use such positive motion picture in giving motion picture exhibitions in machines licensed by the Licensor under the said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, or one or more of them, or under any other Letters Patent that it may hereafter acquire or control, or to sub-lease such motion picture for use in such machines, and that (2) the lessee shall not make or permit others to make any reproduction commonly known as a "dupe" of such positive motion picture or any other positive motion picture containing the invention of said reissued Letters Patent No. 12,192, or (3) sub-lease the same or any other positive motion picture on film of a greater width than approximately one (1) inch containing the invention of said reissued Letters Patent, No. 12,192, for use in giving motion picture exhibitions, at a lower lease price directly or indirectly than that prescribed by the Licensee, at the time of the lease of such motion picture; and (4) that the lessee of such positive motion picture shall not remove the trade mark or trade name or title therefrom and (5) that the lessee shall return to the Licensee from whom such positive motion picture has been leased (without any payment therefor except the transportation charges incident to the return of the same) on the first day of every month, beginning with February 1st, 1909, an amount of positive motion

pictures (on film of a greater width than approximately one (1) inch) in running feet (not leased by the Licensee over six months before) and of the make of the Licensee, to whom it is returned, equal to the amount that was so leased during the sixth month preceding the date of each such return; with the exception, however, that where any such positive motion pictures are destroyed by fire or lost in transportation, and proof satisfactory to the Licensee is furnished as to such destruction or loss, the amount so destroyed or lost shall be deducted from the amount to be returned, as aforesaid.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that the sub-leasing price aforesaid for sub-leasing of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be fixed (and which may be changed in the same manner during the continuance of this agreement, as may also the 5th condition before recited in this paragraph) by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid" by each licensee during the year preceding the taking of such vote.

The Licensee further covenants and agrees that in the "lease territory aforesaid" the Licensee will not discriminate in favor of any lessee, or place upon any motion pictures any restrictions, other than those specified in this paragraph and Paragraph 7, hereof, unless authorized by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees.

18. The Licensee covenants and agrees that in the "lease territory aforesaid" the Licensee will dispose of the positive motion pictures, on film of a greater width than approximately one (1) inch, manufactured, produced or printed by the Licensee, only by the sale "for export" and shipment thereof into "said export territory," or by the lease thereof to others for the purpose only of either sub-leasing the same to persons, firms or corporations using such motion pictures for giving exhibitions thereof in exhibiting or projecting machines licensed by the Licensor containing the inventions, or some of them, described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382,

744,251, 770,937, 771,280, 785,205 and 785,237, or in Letters Patent hereafter acquired or controlled by the Licensor, or of using the same in such machines so licensed; and will not use the same for the purpose of giving exhibitions thereof for profit, directly or indirectly; it being expressly understood and agreed by and between the Licensor and Licensee, however, that the Licensee shall be at liberty to give exhibitions of such positive motion pictures without profit, directly or indirectly, and to possible or prospective lessees or purchasers thereof; and the Licensee further covenants and agrees not to knowingly allow positive motion pictures, on film of a greater width than approximately one (1) inch, manufactured by the Licensee under this agreement, to be leased for use with any exhibiting or projecting machine not licensed by the Licensor under the Letters Patent mentioned in this paragraph, and that it may hereafter acquire or control, or one or more of them, except by and with the consent of the Licensor; and also to refrain from supplying such motion pictures manufactured or imported under this agreement, for use with any exhibiting or projecting machine, the license for which, under the aforesaid Letters Patent, or one or more of them, has been terminated, and the Licensee has been notified thereof by the Licensor; and also to refrain from supplying such motion pictures manufactured and imported under this agreement to any lessee who may sub-let such motion pictures to persons, firms or corporations using the same for giving exhibitions thereof in exhibiting or projecting machines not licensed by the Licensor as aforesaid, or the license for which has been terminated and the Licensee has been notified by the Licensor that any such lessee continues to so sub-let such motion pictures after being notified by the Licensor not to do so; and the Licensor covenants and agrees to promptly notify any such lessee who may so sub-let such motion pictures, after it has knowledge of any such sub-letting, and to notify the Licensee and the additional licensees hereafter provided for, or such of them as may at the time be licensees, of the termination of any license for the use of any exhibiting or projecting machines under the aforesaid Letters Patent, or any of them, and of any such lessee who may so sub-let such motion pictures, after being notified by it not to do so, and to compel all such additional licensees to refrain from supplying motion pictures for use with any such exhibiting or projecting machine, the license for which has been so terminated, or to any such lessee.

19. The Licensor and Licensee further mutually covenant and agree that the Licensor shall and will, during the continuance of this agreement, promptly institute suits against any and all infringers of the Letters Patent, or any of them mentioned in this agreement on the request of a majority of the licensees, including the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, and will thereafter diligently prosecute any such suit or suits to final hearing and decision; all expense connected with the institution and prosecution of such suit or suits to be borne by the Licensor, who shall also be entitled to receive and apply to its own use all recoveries had therein for damages and profits.

The Licensor and Licensee further mutually covenant and agree that if in case any such suit is brought upon said reissued Letters Patent Nos. 12,037, 12,192, or said Letters Patent Nos. 586,953 or 722,382, either of the claims of said reissued Letters Patent No. 12,192, or either of the first, second or third claims of said reissued Letters Patent No. 12,037, or any of the claims in issue in any such suit upon said Letters Patent Nos. 586,953 or 722,382, is or are held invalid by a court that last hears and decides such suit, or should be held by such court not to be infringed, then, and in any such case, the Licensee may at once terminate this agreement and the license thereby granted, by giving notice of its election so to do to the Licensor.

The Licensor and Licensee further mutually covenant and agree that the Licensor may, at its own expense (except as hereinafter provided) during the continuance of this agreement, institute and prosecute suits against any of the several additional licensees hereinafter provided for, for any breach or violation on the part of any such licensee of the covenants respecting prices at which positive motion pictures shall be leased in the "lease territory aforesaid," and also for violation of any of the other terms, conditions or stipulations entered into by such licensee; that the Licensor shall at the end of each year, counting from the day and year first above written, render to the Licensee and the other licensees hereinafter provided for, or such of them as may at the time be licensees, a statement in writing showing in detail all legal expenses incurred by it during such year in the prosecution of such suit or suits; and that up to, but not exceeding the sum of Twenty Thousand Dollars

(\$20,000.00) for any such year, all such legal expenses, insofar as they may be reasonable and proper, shall be borne and paid by the Licensee and the several additional licensees hereinafter provided for, *pro rata*, according to the number of thousand running feet of new subjects offered for lease by each relatively to the total number of thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale by all in the "territory aforesaid," during the year preceding the rendition of such statement, any legal expenses in excess of said Twenty Thousand Dollars (\$20,000) during any such year to be borne and paid by the Licensor unless the Licensor and the Licensee and the several additional licensees hereinafter provided for should hereafter mutually agree otherwise.

20. It is mutually covenanted and agreed by and between the Licensor and Licensee that the Licensor may grant other licenses under said reissued Letters Patent Nos. 12,037 and 12,192 and said Letters Patent Nos. 629,063 and 707,934, so far as the use of the inventions thereof in cameras is concerned, said licenses to be in writing and not to exceed nine in number, seven to be to the persons and corporations mentioned in Paragraph (c) as having license agreements with the Edison Company, one to George Kleine, of Chicago, Illinois, and one to the American Mutoscope and Biograph Company, of the City of New York, (except by a majority vote of the Licensee and the nine other licensees, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid" by such licensees during the year preceding the taking of such vote), and not to be granted or continued upon terms, conditions or stipulations which are in any respect more favorable to the licensees named therein than those set forth in this agreement and in the case of the license to George Kleine, it shall be so restricted as to prohibit said Kleine from manufacturing negative motion pictures in "the territory aforesaid," and from manufacturing from imported negative motion pictures, positive motion pictures, and importing positive motion pictures, in all more than three thousand "running feet of new subjects" per week; *provided, however*, that if any of such additional nine licenses should be terminated during the continuance of this agreement, then and in each such case, the Licensor may

grant a license in writing to some other motion picture manufacturer, but not on terms, conditions or stipulations which are more favorable as to such new licensee than those set forth in this agreement.

It is further mutually covenanted and agreed by and between the Licensor and the Licensee that the Licensor will, during the continuance of this agreement, license such a number of persons, firms or corporations under said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, to make and sell exhibiting or projecting machines containing the inventions described and claimed in the same, capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, and also such machines not capable of exhibiting or projecting motion pictures on film of a greater width than approximately one (1) inch, as will be able to supply the demand for the same; and that it shall not, and it hereby covenants and agrees that it will not, during the continuance of this agreement, license any person, firm or corporation under said Letters Patent, or any of them, to make or sell any such exhibiting or projecting machine containing any of the inventions described and claimed in said Letters Patent, and capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, except upon the conditions and restrictions that the sale and purchase of such machine gives only the right to use it solely for exhibiting or projecting motion pictures containing the inventions of said reissued Letters Patent No. 12,192 leased by a licensee of the Licensor, while it owns or controls the Letters Patent under which such machine is licensed and upon other terms to be fixed by the Licensor while in use, and while the Letters Patent under which it is licensed, are owned or controlled by the Licensor, (which other terms shall only be the payment of a royalty or rental to the Licensor while in use, as hereinbefore provided for) and that there shall be attached to each such machine, in a conspicuous place, a plate, which is not to be removed therefrom, showing plainly, not only the dates of the Letters Patent under which it is licensed, but also the aforesaid conditions or restrictions.

The Licensor further covenants and agrees that it will not charge any such person, firm or corporation manufacturing and selling any such machine capable of exhibiting or projecting motion

pictures on a film of a width greater than approximately one (1) inch, more than Five Dollars (\$5.00) as a license fee for the sale of each such exhibiting or projecting machine sold by any such person, firm or corporation.

The Licensor further covenants and agrees that it will not license any person, firm or corporation to make or sell any exhibiting or projecting machine containing any of the inventions described and claimed in the aforesaid Letters Patent which is not capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, except upon the conditions and restrictions that such machine be used solely for exhibiting or projecting motion pictures on film not wider than approximately one (1) inch, in places where no admission fee is charged, and that there shall be attached to each such machine, in a conspicuous place, a plate, which is not to be removed therefrom, showing plainly, not only the dates of the Letters Patent under which it is licensed, but also the aforesaid conditions or restrictions, and that the Licensor will not charge to any person, firm or corporation making or selling any such machine a license fee of more than 5 per cent. of the net retail selling price of each such machine.

The Licensor further covenants and agrees that it will grant a license to the Licensee, upon its request, to manufacture and sell exhibiting or projecting machines under the Letters Patent, and upon the condition as to the payment of the license fees or royalties and the other conditions and restrictions, as provided for in this paragraph, and will also grant similar licenses upon the same conditions as to the payment of the license fees or royalties and the other conditions and restrictions, to such of the additional licensees hereinbefore provided for who may request the same, except that the said American Mutoscope & Biograph Company is not to pay any such license fees or royalties; and will also grant a license to the Licensee and any such additional licensees who may request the same, to make and sell exhibiting or projecting machines under any other Letters Patent and containing the inventions described and claimed therein that the Licensor may hereafter acquire or control, upon the payment of additional license fees or royalties to be fixed by the Licensor, and subject to similar conditions and restrictions and the placing upon the machines of plates containing such conditions and restrictions as are provided for in this paragraph respecting exhibiting or projecting machines made and sold under the Letters

Patent now owned by the Licensor mentioned in this paragraph, the royalty or license fee, and all other conditions and restrictions of such last named licenses to be the same for the Licensee and such other licensees.

It is mutually covenanted and agreed, however, by and between the Licensor and Licensee, that the Licensor shall have the right to grant and that it will grant, licenses to persons, firms and corporations upon their request (including the Licensee) to manufacture and sell exhibiting or projecting machines, containing the inventions described and claimed in the aforesaid Letters Patent now owned by the Licensor, capable of exhibiting or projecting, by reflected light, animated pictures on film of any width, but not capable of exhibiting or projecting the same by transmitted light, upon the payment of a royalty or license fee not to exceed 5 per cent. of the net retail selling price of each such machine, and upon the condition that they be used only in places where no admission fee is charged, which condition shall appear on a plate to be attached to each such machine; and also that it will grant licenses to such persons, firms and corporations to manufacture and sell such exhibiting or projecting machines containing the inventions described and claimed in any Letters Patent that the Licensor may hereafter own or control, subject to similar conditions or restrictions and upon the payment of additional license fees or royalties to be fixed by the Licensor; the royalty or license fee, and all the conditions and restrictions of all such licenses, to be the same for the Licensee and such other licensees.

20a. It is further mutually covenanted and agreed by and between the Licensor and Licensee that in case the Licensor should be notified by the Licensee or it should otherwise come to its knowledge that any such additional licensee has knowingly or through gross neglect or carelessness broken, violated or failed to perform any of the terms, conditions or stipulations of the license granted by the Licensor, resulting in substantial injury to the Licensor, or the Licensee or the additional licensees aforesaid, the Licensor will promptly notify such licensee in writing of such breach, violation or non-performance, and if such Licensee should, for a period of forty (40) days after such notice, persist in or fail to correct, repair or remedy the same, the Licensor shall at once terminate the license to such licensee; and that in case any such licensee should be guilty of a second grossly neglectful, careless or

knowing breach, violation or non-performance of such terms, conditions or stipulations, resulting in substantial injury to the Licensor, or the Licensee or the additional licensees aforesaid, then, and in such case, the Licensor shall terminate the license to such licensee by giving the latter thirty (30) days' notice in writing of its intention so to do.

20b. The Licensor and Licensee further mutually covenant and agree that by the expression "motion pictures" as used in the foregoing agreement, is meant transparent or translucent tape-like film having photographs thereon of objects in motion.

21. It is further mutually covenanted and agreed by and between the Licensor and Licensee that unless sooner terminated as hereinbefore or hereinafter provided, this agreement and the license granted thereby shall take effect January 1st, 1909, and shall continue until June 20th, 1910, but that the Licensee may renew this agreement and license thereafter from year to year upon the same terms, conditions and stipulations as herein provided, by giving notice to the Licensor on or before April 20th of each year, beginning with the year 1910, of the Licensee's election to so renew this agreement and license, and upon the giving of each such notice this agreement and the license thereby granted shall be considered and treated by the Licensor and Licensee as renewed for a period of one year, beginning June 20th of the year following such notice, except that the last renewal period shall be for the period from June 20th, 1914, to August 26th, 1919, the date of expiration of the Letters Patent No. 707,934.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that if, during said original term or during any such renewal period, either party should, knowingly or through gross neglect or carelessness, be guilty of a breach violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, and should, for the period of forty (40) days after notice thereof from the other party, persist therein or fail to correct, repair or remedy the same, then and in such case the party aggrieved may terminate this agreement by giving notice in writing to the guilty party of its intention so to do. It is, however, mutually covenanted and agreed by and between the Licensor and Licensee, that if the guilty party should correct, repair or remedy such breach, violation or non-performance of its covenants, conditions and stipulations within the said period

of forty (40) days after such notice, and should thereafter knowingly or through gross neglect or carelessness be guilty of a second breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, then and in such case, the party aggrieved may terminate this agreement by giving thirty (30) days' notice in writing to the guilty party of its intention so to do. Such termination of the agreement, however, shall not prejudice either party hereto in the recovery of damages because of any such breach, violation or non-performance by the other party hereto.

22. All notices provided for in this agreement shall be in writing and shall be given by delivering the same to the Licensor or Licensee, as the case may be, or to an officer of the Licensor or Licensee, as the case may be, or by depositing such notice, postage prepaid, in any post office of the United States, in a sealed envelope directed to the Licensor or the Licensee, as the case may be, at its last known post office address, to be forwarded by registered mail.

23. It is mutually covenanted and agreed by and between the Licensor and Licensee that after notice of the termination of this agreement and the license granted thereby by either party, as provided for in Paragraphs 19 and 21 of this agreement, and after the same have been terminated, no matter what the cause or manner of termination may be, neither this license agreement, nor the fact that the Licensee has entered into or acted under it, shall be used in any manner, directly or indirectly, by or for the Licensor, its successors, assigns, or legal representatives, or by or for others with its or their consent or permission, against the Licensee, or the Licensee's successors or legal representatives, in any litigation, controversy or proceeding involving the Licensee or them or any other persons, firms or corporations, or in any other way, it being understood and agreed that upon such termination the positions and rights of the Licensor and Licensee shall be the same as if this agreement had not been made; provided, however, that the rights of neither party shall be prejudiced by such termination in the recovery of damages for any breach or other violation of this agreement by the other occurring prior to such termination.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENTS COMPANY,

(Seal) By Frank L. Dyer,
President.

Attest:

George F. Scull,
Secretary.

EDISON MANUFACTURING COMPANY,

(Seal) By Frank L. Dyer,
Vice-President.

Attest:

Alphons Westee,
Secretary.

22.

LICENSE AGREEMENT.

(a) THIS AGREEMENT, made this 18th day of December, 1908, by and between MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Jersey City, in said State, party of the first part, (hereinafter referred to as the LICENSOR); the EDISON MANUFACTURING COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Orange, in said State, party of the second part, (hereinafter referred to as the EDISON COMPANY), and ESSANAY FILM MANUFACTURING COMPANY, party of the third part, (hereinafter referred to as the LICENSEE), witnesseth:

(b) WHEREAS, the Licensor represents that it is organized to own, deal in and grant licenses under Letters Patent pertaining to the motion picture art, and that it is the owner of all the right, title and interest in and to United States Letters Patent—

No. 578,185, dated March 2, 1897, for Vitascope, granted to Thomas Armat;

No. 580,749, dated April 13, 1897, for Vitascope, granted to Thomas Armat;

No. 586,953, dated July 20, 1897, for Phantoscope, granted to Charles F. Jenkins and Thomas Armat;

No. 588,916, dated August 24, 1897, for Kinetoscope, granted to Charles M. Campbell as the assignee of Willard G. Steward and Ellis F. Frost;

No. 629,063, dated July 18, 1899, for Kinetoscopic Camera, granted to American Mutoscope Company as the assignee of Herman Casler;

No. 673,329, dated April 30, 1901, for Kinetoscope, granted to The American Vitagraph Company as the assignee of Albert E. Smith;

No. 673,992, dated May 14, 1901, for Vitascope, granted to Thomas Armat;

No. 707,934, dated August 26, 1902, for Projecting Kinetoscope, granted E. & H. T. Anthony & Co., as assignees of Woodville Latham;

No. 722,382, dated March 10, 1903, for Animated Picture Ap-

paratus, granted to American Mutoscope & Biograph Company as the assignee of John A. Pross;

No. 744,251, dated November 17, 1903, for Kinetoscope, granted Albert E. Smith;

No. 770,937, dated September 27, 1904, for Kinetoscope, granted The Vitagraph Company of America as the assignee of Albert E. Smith;

No. 771,280, dated October 4, 1904, for Winding-Reel, granted Albert E. Smith;

No. 785,205, dated March 21, 1905, for Flame-Shield for Kinetoscopes, granted The Vitagraph Company of America as the assignee of William Ellwood; and

No. 785,237, dated March 21, 1905, for Film-Holder for Kinetoscopes, granted The Vitagraph Company of America as the assignee of Albert E. Smith;

all of which said Letters Patent relate to improvements in the motion picture art, and that there are no outstanding licenses, shop rights or other rights under said Letters Patent, or either of them, except a license for Parlor Kinetoscopes granted The Karmata Company, of Washington, D. C., under Letters Patent Nos. 578,185, 580,749, 586,953, and 673,992, and certain alleged licenses under U. S. Letters Patent No. 586,953, which are in dispute, claimed to be owned by the Edison Company and the American Graphophone Company, of Washington, D. C., and S. Lubin, of Philadelphia, Pennsylvania; and excepting a license granted by the American Mutoscope & Biograph Company to the firm of Marvin and Casler to manufacture and sell cameras and exhibiting or projecting machines under Letters Patent owned by it (some of which are hereinbefore referred to) for use in foreign countries only, and excepting certain licenses granted by the Armat Motion Picture Company to the American Mutoscope & Biograph Company under Letters Patent Nos. 578,185, 580,749, 586,953, 588,916 and 673,992, and by the latter Company to the former Company under Patents Nos. 707,934 and 722,382, which licenses are, however, by agreement between said parties, suspended and are not to be acted upon until the Licensor becomes bankrupt, ceases doing business or shall be dissolved voluntarily or otherwise, or its Charter shall be repealed; and

(c) WHEREAS, the Licensor is the owner of all the right title and interest in and to reissued Letters Patent of the United

States numbered 12,037, dated September 30, 1902, and 12,192, dated January 12, 1904, the original Letters Patent whereof are numbered 589,168 and dated August 31, 1897, and that there are no outstanding licenses, shop rights or other rights under said re-issued Letters Patent, or either of them, except license agreements thereunder between the Edison Company and Pathe Freres of New York, dated May 20, 1908, (to go into effect June 20, 1908), and between the Edison Company and the Kalem Company, of New York; the Essanay Company, of Chicago; Siegmund Lubin, of Philadelphia; George Melies Company of Chicago, Illinois; the Selig Polyscope Company, of said Chicago, and The Vitagraph Company of America, of New York, all dated January 31, 1908; and

(d) WHEREAS, the Edison Company, the Licensee and the other licensees before mentioned under the said reissued Letters Patent numbered 12,037 and 12,192, are desirous of suspending the operation of the said license agreements; and

(e) WHEREAS, the Licensee is engaged in the manufacture and sale of motion pictures, including the printing of positive motion pictures from negative motion pictures of the Licensee's own production, and, relying upon the aforesaid representations of the Licensor, and induced thereby, desires to obtain from the Licensor a license under said two reissued Letters Patent numbered 12,037 and 12,192, and Letters Patent Nos. 629,063 and 707,934, and to lease positive motion pictures, for use in exhibiting or projecting machines containing the inventions, or any of them, described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and to sell positive motion pictures on film of a width approximately one (1) inch or less in certain territory and on film of any width in certain territory:

(f) NOW THEREFORE the parties hereto, for and in consideration of the sum of One Dollar to each in hand paid by the other, and for other good and valuable considerations from each to the other moving, receipt of all of which is hereby acknowledged, have agreed as follows:

1. The Licensor hereby grants to the Licensee for the term and subject to the covenants, conditions and stipulations hereinafter expressed, the right and license under said reissued Letters Patent No. 12,037 and Letters Patent Nos. 629,063 and 707,934, for

the United States, its territories, dependencies and possessions (hereinafter called the "territory aforesaid") to manufacture and use such a number of cameras embodying the inventions of said reissued Letters Patent No. 12,037 and Letters Patent Nos. 629,063 and 707,934, as may be necessary for the proper conduct of the Licensee's business, and to manufacture, print and produce positive motion pictures embodying the inventions of said reissued Letters Patent No. 12,192, and to lease the same in the United States, its territories, dependencies and possessions, (with the exceptions of its insular possessions and Alaska), hereinafter referred to as the "lease territory aforesaid" on film of a greater width than approximately one (1) inch, upon condition that they be used solely in exhibiting or projecting machines containing the inventions or some of them of said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and licensed by the Licensor, and to sell positive motion pictures embodying the invention of said reissued Letters Patent No. 12,192, on film of a width approximately one (1) inch or less in the "lease territory aforesaid" and on film of any width in or for said insular possessions and Alaska and foreign countries, hereinafter referred to as "said export territory" or "for export."

The License hereby granted is personal to the Licensee and does not include the right to dispose of, in the "territory aforesaid," any cameras embodying any invention covered by said reissued Letters Patent No. 12,037, and Letters Patent Nos. 629,063 and 707,934; and, in the event of the permanent discontinuance or retirement from business of the Licensee for a period of six consecutive months, the license hereby granted shall be immediately terminated.

2. The Licensor, for itself; its successors, assigns and legal representatives, hereby releases, acquits and discharges the Licensee from any and all claims, demands and liability for profits and damages, because of any infringement by the Licensee of any or all of the aforesaid United States Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and reissued Letters Patent Nos. 12,037 and 12,192, or use by the Licensee of the inventions, or any of them, covered by said Letters Patent or either of them prior to the date hereof.

3. The Licensee hereby recognizes and admits the validity

of said reissued Letters Patent No. 12,037, so far as the first three claims thereof are concerned, and the validity of said reissued Letters Patent No. 12,192 and Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,994, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and the Licensee agrees not to contest or question the same during the continuance of this agreement.

4. The Licensee covenants and agrees that in the manufacture of motion pictures, both negative and positive in the "territory aforesaid," during the continuance of this agreement, the Licensee will use exclusively sensitized film manufactured and sold in the United States by a manufacturer or manufacturers who by an agreement with the Licensor, as hereinafter provided, will collect and pay to the Licensor royalties on such sensitized film, and hereinafter called "Licensed Film," and that the Licensee will not, in the "territory aforesaid," purchase or otherwise acquire or lease or sell or otherwise dispose of or deal in, motion pictures produced on or by the use of any other film than such "Licensed Film," nor sell or otherwise dispose of any negative motion pictures.

The Licensor further covenants and agrees that it will, in an agreement in writing with each manufacturer of "Licensed Film," obligate such manufacturer, so long as the latter has the exclusive right to make and sell such "Licensed Film," not to knowingly furnish or sell, in the "territory aforesaid," except "for export," sensitized film for the commercial production of negative and positive motion pictures to any one but the Licensee, and the additional licensees hereinafter provided for, except to the extent of $2\frac{1}{2}\%$ of the total amount of such "Licensed Film" supplied by such manufacturer to the parties to the license agreements referred to in Paragraph (c) during the year preceding June 20, 1909, and to the Licensee and the additional licensees hereinafter provided for, during any one year thereafter during the continuance of such agreement, which amount such manufacturer shall have the right to furnish or sell, in the "territory aforesaid," to persons not engaged in the business of manufacturing, leasing, selling, loaning, renting out, or otherwise disposing of or dealing in motion pictures in the "territory aforesaid"; and with the further exception that such manufacturer may also reserve the right to manufacture and sell sensitized film suitable for the commercial production of negative and positive motion pictures, of a width not to exceed approximately

one (1) inch in the "territory aforesaid," to persons, firms and corporations engaged in the business of manufacturing, leasing, selling, loaning, renting out or otherwise disposing of or dealing in motion pictures in the "territory aforesaid," but upon the condition that in case any of them produces thereon any picture greater in size than approximately three-quarters ($\frac{3}{4}$) of an inch on a line either parallel to or at right angles to the edge of such film, and such manufacturer has knowledge thereof such manufacturer will cease supplying such film to any person, firm or corporation so doing; and with the further exception that such manufacturer may also reserve the right to manufacture and sell in the "territory aforesaid" such sensitized film suitable for the commercial production of negative and positive motion pictures of any width, to persons, firms and corporations now having an established business of manufacturing motion pictures in any country foreign to the United States, who now manufacture negative and positive motion pictures in the United States, or who may after the date of this agreement commence the manufacture of negative or positive motion pictures in the United States.

The Licensor further covenants and agrees that the royalties which it will charge to and receive from the Licensee for "Licensed Film" (and which are to be included by the manufacturer or manufacturers in the prices charged for "Licensed Film" to the Licensee and paid over to the Licensor, shall not, for "Licensed Film" of a width approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) or thirty-five (35) millimeters, purchased by the Licensee during the year preceding June 20, 1909, and during any year thereafter during the continuance of this agreement, as hereafter provided, exceed the following rates, that is to say:

If the shipments of such "Licensed Film" to the Licensee, on the Licensee's orders, for any such year, be four million running feet or less, a royalty of one-half ($\frac{1}{2}$) cent per running foot on the total number of running feet for that year; if such shipments, on the Licensee's orders, of such "Licensed Film" for any such year, exceed four million running feet but do not exceed six million running feet, a royalty of four and one-half ($4\frac{1}{2}$) mills per running foot on the total number of running feet for that year; if such shipments, on the Licensee's orders, of such "Licensed Film," for any such year, exceed six million running feet but do not exceed eight million running feet, a royalty of four (4) mills per running foot on the total

number of running feet for that year; if such shipments, on the Licensee's orders, of such "Licensed Film," for any such year, exceed eight million running feet but do not exceed ten million running feet, a royalty of three and three-quarters ($3\frac{3}{4}$) mills per running foot on the total number of running feet for that year; and if such shipments, on the Licensee's orders, of such "Licensed Film," for any such year, exceed ten million running feet, a royalty of three and one-quarter ($3\frac{1}{4}$) mills per running foot on the total number of running feet for that year. And for "Licensed Film" narrower or wider than approximately one and three-eighths ($1\frac{3}{8}$ in.) inch or thirty-five (35) millimeters, the above mentioned royalty rates shall be reduced or increased in proportion to the reduction or increase in width of such narrower or wider "Licensed Film" below or above the width of such "Licensed Film" of approximately one and three-eighths ($1\frac{3}{8}$ in.) inch or thirty-five (35) millimeters.

The Licensors and Licensee further mutually covenant and agree that the manufacturer of such "Licensed Film" shall in the first instance, that is to say, when such film is billed and shipped by it, charge the Licensee with its price per running foot plus the maximum royalty aforesaid, and on the expiration of each year, counting from June 20th, 1909, shall adjust the royalty account of the Licensee as to "Licensed Film" so billed and shipped to and paid for by the Licensee, according to the royalty schedule aforesaid, returning to the Licensee any amount the Licensee shall have overpaid, according to said schedule, and paying the balance to the Licensors; and that the royalties heretofore paid and which may hereafter be paid to the manufacturer of such "Licensed Film" up to June 20, 1909, under the aforesaid license agreement between the Licensee and the Edison Company and under this agreement, shall be adjusted in the same manner, returning to the Licensee the amount the Licensee shall have overpaid according to said schedule.

The Licensors further agree that the dealings between the Licensee and the authorized manufacturer or manufacturers from whom the Licensee purchases such "Licensed Film" shall, insofar as the number of running feet ordered by or shipped to the Licensee or anything that would indicate or disclose the number of such feet is concerned, be a matter of confidence between the Licensee and such manufacturer or manufacturers, who shall not be at liberty to disclose, and moreover shall be bound in writing not to disclose, directly or indirectly, to the Licensors or any of the additional

licensees hereinafter provided for, the number of such feet of "Licensed Film" so ordered by or shipped to the Licensee; the Licensor further agreeing to so arrange or provide for the reports and royalty payments to be made to it by such manufacturer or manufacturers that the latter shall make such reports and royalty payments in gross, as to all of the licensees to whom shipments of such "Licensed Film" are made, and without specifying the number of running feet of "Licensed Film" so shipped to any of them, either by a statement in writing of the number of such feet or the amount of royalties paid or to be paid by such manufacturer or manufacturers for or on account thereof.

The Licensor and Licensee further mutually covenant and agree that no royalty other than or in addition to that provided for in this paragraph shall be charged to or collected from the Licensee by the Licensor up to June 20, 1910, or during any renewal of this agreement up to August 31, 1914, the date of the expiration of said reissued Letters Patent Nos. 12,037 and 12,192, and no royalty whatever shall be charged to or collected from the Licensee by the Licensor after either the first, second and third claims of said reissued Letters Patent No. 12,037, and either of the claims of said reissued Letters Patent No. 12,192, in any suit as hereinafter provided for, for infringement thereof, are held invalid by a court that last hears and decides such suit, or after August 31, 1914, during any renewal of this agreement; and that the Licensor shall charge royalties or rents for the use of all exhibiting or projecting machines capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, containing the inventions, or any of them, described and claimed in the aforesaid Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, licensed by the Licensor and that all such royalties or rents shall be collected by the Licensor, directly or indirectly from the exhibitors using such machines, and shall be fixed by the Licensor and charged and collected from such exhibitors by the Licensor at such a rate as to average as nearly as possible a royalty or rental of Two Dollars (\$2.00) per week for each such licensed machine in use.

5. The Licensee further covenants and agrees not to sell or otherwise dispose of or offer for sale, in the "territory aforesaid," unexposed positive or negative "Licensed Film" during the continuance of this agreement; but this provision shall not prevent

the Licensee from selling as refuse, in the "territory aforesaid," second-hand positive or negative motion pictures or motion pictures which have been used or become shop-worn or in any way damaged, to a manufacturer or manufacturers of "Licensed Film" or to a manufacturer to manufacture other articles than film therefrom, but only after they have been rendered by the Licensee unsuitable for use as motion pictures by cutting or otherwise defacing them; or from selling exposed positive or negative film (either waste or in rolls) known as "blank film" for use by dealers, renters or exhibitors for leaders or for spacing or for similar purposes, but which shall not and cannot be otherwise employed for the exhibition of motion pictures.

6. The Licensee further covenants and agrees not to lease, loan, rent out, sell or offer for sale, or otherwise dispose of in the "territory aforesaid," motion pictures to anyone purchasing or otherwise obtaining, leasing, using, loaning, renting out, selling, offering for sale, or otherwise disposing of or dealing in, motion pictures containing the invention of said reissued Letters Patent No. 12,192, not the output of the Licensee or of the additional licensees hereinafter provided for.

7. The Licensee further covenants and agrees to mark each and every camera which the Licensee may make or use under this agreement embodying the inventions of reissued Letters Patent No. 12,037, Letters Patent Nos. 629,063 and 707,934, or either of them, with the word "PATENTED" followed by the dates of grant of all of the said Letters Patent, the inventions claimed in which are embodied in the said camera or apparatus, and to photographically print the Licensee's trade mark in each picture of at least one scene of each subject of positive motion pictures on film of a greater width than approximately one (1) inch manufactured by the Licensee and leased in the "lease territory aforesaid," and to mark conspicuously on the labels which shall be placed on boxes or packages containing positive motion pictures on film of a greater width than approximately one (1) inch manufactured by the Licensee in the "territory aforesaid," with the following words and figures:

LICENSED MOTION PICTURE.

Manufactured and Leased by and Property of

(Patented in the United States August 31, 1897; reissued January 12, 1904).

The enclosed motion picture is leased only and upon the following terms and conditions:—

1. That the lessee shall not sell or otherwise dispose of the same outright, but shall have only the right to sub-let or use such motion picture.

2. That the lessee shall permit such motion pictures to be exhibited only on motion picture projecting machines licensed by the Motion Picture Patents Company of New Jersey under its patents covering such projecting machines.

3. That the lessee shall not sublet such motion picture or any other motion picture containing the invention of the above reissued patent for use in any motion picture exhibitions at a lower sub-rental price, directly or indirectly, than that agreed upon (if any) in the contract of lease between the lessee and the lessor of this picture.

4. That the lessee or user thereof shall not make or permit others to make any reproduction, commonly known as a "dupe," of such motion picture or any other motion picture containing the inventions of the above reissued patent.

5. That the lessee or user thereof shall not remove the trademark or trade name or title therefrom.

6. That the violation of any of the foregoing conditions entitles the lessor to immediate possession of this motion picture without liability for any price which the lessee or the person in whose possession it is found, may have paid therefor.

The Licensor further covenants and agrees to use all possible diligence in licensing exhibiting or projecting machines now in use in the "lease territory aforesaid" embodying any or all of the inventions described and claimed in the said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and that royalties or rents

from the users of such exhibiting or projecting machines will not be exacted, directly or indirectly, until

8. The Licensee further covenants and agrees not to use, in the production of negative or positive motion pictures, under this agreement, the negative or positive motion pictures (or reproductions commonly known as "dupes" of the negative or positive motion pictures) of any other manufacturer or person, firm or corporation located either in the "territory aforesaid" or in any foreign country, whether the same have or have not been copyrighted in the "territory aforesaid" or in any foreign country.

9. The Licensor has established the following scale of minimum prices (which the Licensee admits is a fair and reasonable one) for the lease of positive motion pictures on film of a greater width than approximately one (1) inch in the "lease territory aforesaid," embodying the invention of said reissued Letters Patent No. 12,192:

List	13	cents	per	running	foot;
Standing Order	11	"	"	"	"
Films leased between two and four					
months after release date.....	9	"	"	"	"
Films leased between four and six					
months after release date.....	7	"	"	"	"
Films leased over six months after					
release date	5	"	"	"	"

The Licensor and Licensee further mutually covenant and agree that the above scale of minimum prices is to remain in force until a new scale of prices is adopted, each such new scale to be adopted, during the continuance of this agreement, by a majority vote to be forthwith communicated to the Licensor of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees on the basis of one vote for each thousand running feet of new subjects on film of a greater width than approximately one (1) inch offered for lease or sale in the "territory aforesaid" by each licensee during the year preceding the taking of such vote; and they further covenant and agree that any changes which may hereafter be so made and communicated to the Licensor in said scale of prices, and of which the Licensee shall be notified in writing by the Licensor, shall be accepted and adopted by the Licensee in the place and stead of the scale of prices above given or of any substitute or substitutes therefor adopted prior to

such change. It is, however, expressly mutually covenanted and agreed that in no case shall such new scale of prices, either list or standing order, be less than nine (9) cents per running foot for any motion picture leased within four months of the date of release of the said motion picture.

By the expression "running feet of new subjects" above referred to, and hereafter used, the parties hereto mean the aggregate amount ascertained by adding together the individual number of running feet of one print of each and every new motion picture on film of a greater width than approximately one (1) inch, regularly listed and offered for lease in the "lease territory aforesaid."

The Licensor and Licensee further mutually covenant and agree that in case, during the continuance of this agreement, there should be for any reason only three such licensees, then, and in such case, the Licensor may adopt a minimum scale of prices in the place and stead of the minimum scale of prices above given or of any substitute or substitutes therefor adopted in the manner above provided, which, however, shall in no case be above the minimum scale of prices that may be in force at the time the Licensor adopts the said new minimum scale of prices, which said new minimum scale of prices shall be binding upon the Licensee, but only after receiving notice thereof in writing from the Licensor.

10. The Licensor and Licensee further mutually covenant and agree that an order in the "lease territory aforesaid," for one or more positive motion pictures of each and every new subject made by the Licensee (except chrono-photographic subjects and other special subjects that are announced and advertised as special by the Licensee and of which no copy or print is leased by the Licensee for less than list price within two (2) months after release date), when offered for lease in the regular order of business, shall constitute a "standing order" within the meaning of the scale of prices aforesaid or any substitute therefor hereafter adopted, said standing order to remain in force for not less than fourteen (14) consecutive days; and the parties hereto further mutually covenant and agree that the minimum price at which any additional positive motion pictures shall be leased, in the "lease territory aforesaid," subsequent to the filling of a standing order, shall be the same per running foot as the pictures furnished on such standing order, unless otherwise provided for in the scale of prices aforesaid or any substitute therefor hereafter adopted. All positive motion pictures which may be

hereafter leased in the "lease territory aforesaid," to persons not having a standing order, as above defined, shall in every case be leased at not less than the list price mentioned in said scale of prices or any substitute therefor hereafter adopted, except it be otherwise provided by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid" by each licensee during the year preceding the taking of such vote, and except as provided for in Paragraph 12 as to "special motion pictures."

11. The Licensors and Licensee further mutually covenant and agree that positive motion pictures made by or for the Licensee and unsold prior to the date hereof, shall be subject to the scale of prices aforesaid and shall be leased in the "lease territory aforesaid," at not less than the prices fixed in said scale for positive motion pictures as provided for in Paragraphs 9 and 10.

12. The Licensors and Licensee further mutually covenant and agree that in the case of so-called "special motion pictures" (where it is agreed, by the Licensee, that the negative shall be the exclusive property of the person ordering the same, although remaining in the care and custody of the Licensee, and where positive prints therefrom shall be made from time to time on the order of such person), the price to be paid for the making of such negative in the "territory aforesaid" shall not be less than one dollar (\$1.00) per running foot, and that the price at which positive prints therefrom shall be leased in the "territory aforesaid," shall not be less than fifteen (15) cents per running foot.

13. The Licensee further covenants and agrees not to lease motion pictures in the "lease territory aforesaid," under any circumstances, either directly or indirectly, during the continuance of this agreement, at lower prices than those fixed and established as provided for in Paragraphs 9, 10, 11 and 12.

14. It is further and mutually covenanted and agreed by the Licensors and Licensee that the Licensee shall have the right to sell motion pictures in or for "said export territory," and that the prices above referred to in Paragraphs 9, 10, 11 and 12, or any substitute or substitutes for the same hereafter adopted, shall not apply to sales or shipments of motion pictures made bona fide for export,

when the goods, addressed to the purchaser, agent or consignee, are delivered to the vessel or to a transportation company for transportation to "said export territory," and not otherwise.

The Licensor and the Licensee further mutually covenant and agree that in no case shall sales "for export" of motion pictures be knowingly made by the Licensee to persons, firms or corporations whom such Licensee has reason to believe will reimport them into the "lease territory aforesaid" for sale or use.

15. The Licensor and the Licensee further mutually covenant and agree that, except as provided for in Paragraph 5, the Licensee will not sell or lease, or offer for sale or lease in the "territory aforesaid" at reduced prices, second-hand motion pictures or motion pictures which have been used or which have become shop-worn or in any way damaged.

16. The Licensor and the Licensee further mutually covenant and agree that in the "lease territory aforesaid," all leases of positive motion pictures shall be at the prices hereinbefore provided for, without the allowance of any discounts or rebates or other reduction (except such as may be adopted by the unanimous votes of all the licensees) by which a lessee might acquire positive motion pictures at lower prices than those set forth in Paragraphs 9, 10, 11 and 12, or any substitutes therefor hereafter adopted, and that the Licensee will not dispose of such positive motion pictures as premiums, or by lottery, or raffle, or any game of chance, or in any way whereby they may be acquired directly or indirectly for less than the prices set forth in Paragraphs 9, 10, 11 and 12, or substitutes therefor.

The Licensee further covenants and agrees that, in the "lease territory aforesaid," the Licensee will not sell or offer for sale other goods or merchandise at less than current prices in order to induce the lease of positive motion pictures, nor present or donate other goods or merchandise or prizes, or make use of credit cards or trading stamps, or offer any premiums of any kind whatsoever to induce the lease of such positive motion pictures.

17. It is further mutually covenanted and agreed by and between the Licensor and Licensee that no lease of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be made in the "lease territory aforesaid" by the Licensee, except upon and subject to the following terms and conditions, the substance of which (with the exception of the condition as to the

return of positive motion pictures hereinafter referred to) shall be expressed in a printed notice on the labels, as provided for in Paragraph 7, accompanying each positive motion picture, namely: (1) that the lessee of such positive motion picture shall not sell or otherwise dispose of the same outright, but shall only have the right to use such positive motion picture in giving motion picture exhibitions in machines licensed by the Licensor under the said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, or one or more of them, or under any other Letters Patent that it may hereafter acquire or control, or to sub-lease such motion picture for use in such machines, and that (2) the lessee shall not make or permit others to make any reproduction commonly known as a "dupe" of such positive motion picture or any other positive motion picture containing the invention of said reissued Letters Patent No. 12,192, or (3) sub-lease the same or any other positive motion picture on film of a greater width than approximately one (1) inch containing the invention of said reissued Letters Patent No. 12,192, for use in giving motion picture exhibitions, at a lower lease price directly or indirectly than that prescribed by the Licensee, at the time of the lease of such motion picture; and (4) that the lessee of such positive motion picture shall not remove the trade mark or trade name or title therefrom, and (5) that the lessee shall return to the Licensee from whom such positive motion picture has been leased (without any payment therefor except the transportation charges incident to the return of the same) on the first day of every month, beginning with _____, 1909, an amount of positive motion pictures (on film of a greater width than approximately one (1) inch) in running feet (not leased by the Licensee over six months before) and of the make of the Licensee, to whom it is returned, equal to the amount that was so leased during the sixth month preceding the date of each such return; with the exception, however, that where any such positive motion pictures are destroyed by fire or lost in transportation, and proof satisfactory to the Licensee is furnished as to such destruction, or loss, the amount so destroyed or lost shall be deducted from the amount to be returned, as aforesaid.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that the sub-leasing price aforesaid for sub-leasing of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be fixed (and which may be

changed in the same manner during the continuance of this agreement, as may also the 5th condition before recited in this paragraph) by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch offered for lease or sale in the "territory aforesaid" by each licensee during the year preceding the taking of such vote.

The Licensee further covenants and agrees that in the "lease territory aforesaid" the Licensee will not discriminate in favor of any lessee, or place upon any motion pictures any restrictions, other than those specified in this paragraph and Paragraph 7 hereof, unless authorized by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees.

18. The Licensee covenants and agrees that in the "lease territory aforesaid" the Licensee will dispose of the positive motion pictures, on film of a greater width than approximately one (1) inch, manufactured, produced or printed by the Licensee, only by the sale "for export" and shipment thereof into "said export territory," or by the lease thereof to others for the purpose only of either subleasing the same to persons, firms or corporations using such motion pictures for giving exhibitions thereof in exhibiting or projecting machines licensed by the Licensor containing the inventions, or some of them, described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, or in Letters Patent hereafter acquired or controlled by the Licensor, or of using the same in such machines so licensed; and will not use the same for the purpose of giving exhibitions thereof for profit, directly or indirectly; it being expressly understood and agreed by and between the Licensor and Licensee, however, that the Licensee shall be at liberty to give exhibitions of such positive motion pictures without profit, directly or indirectly, and to possible or prospective lessees or purchasers thereof; and the Licensee further covenants and agrees not to knowingly allow positive motion pictures, on film of a greater width than approximately one (1) inch, manufactured by the Licensee under this agreement, to be leased for use with any exhibiting or projecting machine not licensed by the Licensor under the Letters Patent mentioned in this paragraph, and that it may hereafter acquire or control,

or one or more of them, except by and with the consent of the Licensor; and also to refrain from supplying such motion pictures manufactured or imported under this agreement, for use with any exhibiting or projecting machine, the license for which, under the aforesaid Letters Patent, or one or more of them, has been terminated, and the Licensee has been notified thereof by the Licensor; and also to refrain from supplying such motion pictures manufactured and imported under this agreement to any lessee who may sublet such motion pictures to persons, firms or corporations using the same for giving exhibitions thereof in exhibiting or projecting machines not licensed by the Licensor as aforesaid, or the license for which has been terminated and the Licensee has been notified by the Licensor that any such lessee continues to so sublet such motion pictures after being notified by the Licensor not to do so; and the Licensor covenants and agrees to promptly notify any such lessee who may so sublet such motion pictures, after it has knowledge of any such subletting, and to notify the Licensee and the additional licensees hereafter provided for, or such of them as may at the time be licensees, of the termination of any license for the use of any exhibiting or projecting machines under the aforesaid Letters Patent, or any of them, and of any such lessee who may so sublet such motion pictures, after being notified by it not to do so, and to compel all such additional licensees to refrain from supplying motion pictures for use with any such exhibiting or projecting machine, the license for which has been so terminated, or to any such lessee.

19. The Licensor and Licensee further mutually covenant and agree that the Licensor shall and will, during the continuance of this agreement, promptly institute suits against any and all infringers of the Letters Patent, or any of them, mentioned in this agreement, on the request of a majority of the licensees, including the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, and will thereafter diligently prosecute any such suit or suits to final hearing and decision; all expense connected with the institution and prosecution of such suit or suits to be borne by the Licensor, who shall also be entitled to receive and apply to its own use all recoveries had therein for damages and profits.

The Licensor and Licensee further mutually covenant and agree that if in case any such suit is brought upon said reissued Letters Patent Nos. 12,037, 12,192, or said Letters Patent Nos. 586,953 or

722,382, either of the claims of said reissued Letters Patent No. 12,192 or either of the first, second or third claims of said reissued Letters Patent No. 12,037, or any of the claims in issue in any such suit upon said Letters Patent Nos. 586,953, or 722,382, is or are held invalid by a court that last hears and decides such suit, or should be held by such court not to be infringed, then, and in any such case, the Licensee may at once terminate this agreement and the license thereby granted, by giving notice of its election so to do to the Licensor.

The Licensor and Licensee further mutually covenant and agree that the Licensor may, at its own expense (except as hereinafter provided) during the continuance of this agreement, institute and prosecute suits against any of the several additional licensees hereinafter provided for, for any breach or violation on the part of any such licensee of the covenants respecting prices at which positive motion pictures shall be leased in the "lease territory aforesaid," and also for violation of any of the other terms, conditions or stipulations entered into by such licensee; that the Licensor shall at the end of each year, counting from the day and year first above written, render to the Licensee and the other licensees hereinafter provided for, or such of them as may at the time be licensees, a statement in writing showing in detail all legal expenses incurred by it during such year in the prosecution of such suit or suits; and that up to, but not exceeding the sum of Twenty Thousand Dollars (\$20,000) for any such year, all such legal expenses, insofar as they may be reasonable and proper, shall be borne and paid by the Licensee and the several additional licensees hereinafter provided for, *pro rata* according to the number of thousand running feet of new subjects offered for lease by each relatively to the total number of thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale by all in the "territory aforesaid," during the year preceding the rendition of such statement, any legal expenses in excess of said Twenty Thousand Dollars (\$20,000) during any such year to be borne and paid by the Licensor unless the Licensor and the Licensee and the several additional licensees hereinafter provided for should hereafter mutually agree otherwise.

20. It is mutually covenanted and agreed by and between the Licensor and Licensee that the Licensor may grant other licenses under said reissued Letters Patent Nos. 12,037 and 12,192, and said Letters Patent Nos. 629,063 and 707,934, so far as the use of the

inventions thereof in cameras is concerned, said licenses to be in writing and not to exceed nine in number, six to be to the persons and corporations mentioned in Paragraph (c) as having license agreements with the Edison Company, one to the Edison Company, one to George Kleine, of Chicago, Illinois, and one to the American Mutoscope & Biograph Company, of the City of New York (except by a majority vote of the Licensee and the nine other licensees, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid" by such licensees during the year preceding the taking of such vote), and not to be granted or continued upon terms, conditions or stipulations which are in any respect more favorable to the licensees named therein than those set forth in this agreement (except to the Edison Company, and it shall only be more favorable to it in the matter of the payment of royalties to the Licensor), and in the case of the license to George Kleine, it shall be so restricted as to prohibit said Kleine from manufacturing negative motion pictures in "the territory aforesaid," and from manufacturing from imported negative motion pictures, positive motion pictures, and importing positive motion pictures, in all more than three thousand "running feet of new subjects" per week; *provided, however*, that if any of such additional nine licenses should be terminated, during the continuance of this agreement, then and in each such case, the Licensor may grant a license in writing to some other motion picture manufacturer, but not on terms, conditions or stipulations which are more favorable as to such new licensee than those set forth in this agreement.

It is further mutually covenanted and agreed by and between the Licensor and the Licensee that the Licensor will, during the continuance of this agreement, license such a number of persons, firms or corporations under said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, to make, and sell exhibiting or projecting machines containing the inventions described and claimed in the same, capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, and also such machines not capable of exhibiting or projecting motion pictures on film of a greater width than approximately one (1) inch, as will be able to supply the demand for the same; and that

it shall not, and it hereby covenants and agrees that it will not, during the continuance of this agreement, license any person, firm or corporation under said Letters Patent or any of them to make or sell any such exhibiting or projecting machine containing any of the inventions described and claimed in said Letters Patent, and capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, except upon the conditions and restrictions that the sale and purchase of such machine gives only the right to use it solely for exhibiting or projecting motion pictures containing the inventions of said reissued Letters Patent No. 12,192 leased by a licensee of the Licensor, while it owns or controls the Letters Patent under which such machine is licensed and upon other terms to be fixed by the Licensor while in use, and while the Letters Patent under which it is licensed, are owned or controlled by the Licensor (which other terms shall only be the payment of a royalty or rental to the Licensor while in use, as hereinbefore provided for), and that there shall be attached to each such machine, in a conspicuous place, a plate, which is not to be removed therefrom, showing plainly, not only the dates of the Letters Patent under which it is licensed, but also the aforesaid conditions or restrictions.

The Licensor further covenants and agrees that it will not charge any such person, firm or corporation manufacturing and selling any such machine capable of exhibiting or projecting motion pictures on a film of a width greater than approximately one (1) inch, more than Five Dollars (\$5.00) as a license fee for the sale of each such exhibiting or projecting machine sold by any such person, firm or corporation.

The Licensor further covenants and agrees that it will not license any person, firm or corporation to make or sell any exhibiting or projecting machine containing any of the inventions described and claimed in the aforesaid Letters Patent which is not capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, except upon the conditions and restrictions that such machine be used solely for exhibiting or projecting motion pictures on film not wider than approximately one (1) inch, in places where no admission fee is charged, and that there shall be attached to each such machine, in a conspicuous place, a plate, which is not to be removed therefrom, showing plainly, not only the dates of the Letters Patent under which it is licensed, but

also the aforesaid conditions or restrictions, and that the Licensor will not charge to any person, firm or corporation making or selling any such machine a license fee of more than 5 per cent. of the net retail selling price of each such machine.

The Licensor further covenants and agrees that it will grant a license to the Licensee, upon its request, to manufacture and sell exhibiting or projecting machines under the Letters Patent, and upon the condition as to the payment of the license fees or royalties and the other conditions and restrictions, as provided for in this paragraph, and will also grant similar licenses upon the same conditions as to the payment of the license fees or royalties and the other conditions and restrictions, to such of the additional licensees hereinbefore provided for who may request the same, except that the said American Mutoscope & Biograph Company is not to pay any such license fees or royalties; and will also grant a license to the Licensee and any such additional licensees who may request the same, to make and sell exhibiting or projecting machines under any other Letters Patent and containing the inventions described and claimed therein that the Licensor may hereafter acquire or control, upon the payment of additional license fees or royalties to be fixed by the Licensor, and subject to similar conditions and restrictions and the placing upon the machines of plates containing such conditions and restrictions as are provided for in this paragraph respecting exhibiting or projecting machines made and sold under the Letters Patent now owned by the Licensor mentioned in this paragraph, the royalty or license fee, and all other conditions and restrictions of such last named licenses to be the same for the Licensee and such other licensees.

It is mutually covenanted and agreed, however, by and between the Licensor and Licensee, that the Licensor shall have the right to grant and that it will grant licenses to persons, firms and corporations upon their request (including the Licensee) to manufacture and sell exhibiting or projecting machines, containing the inventions described and claimed in the aforesaid Letters Patent now owned by the Licensor, capable of exhibiting or projecting, by reflected light, animated pictures on film of any width, but not capable of exhibiting or projecting the same by transmitted light, upon the payment of a royalty or license fee not to exceed 5 per cent. of the net retail selling price of each such machine, and upon the condition that they be used only in places where no admis-

sion fee is charged, which condition shall appear on a plate to be attached to each such machine; and also that it will grant licenses to such persons, firms and corporations to manufacture and sell such exhibiting or projecting machines containing the inventions described and claimed in any Letters Patent that the Licensor may hereafter own or control, subject to similar conditions or restrictions and upon the payment of additional license fees or royalties to be fixed by the Licensor; the royalty or license fee, and all the conditions and restrictions of all such licenses, to be the same for the Licensee and such other licensees.

20a. The Licensor further covenants and agrees that it will keep separate books of account showing all royalties or rents charged to or received, directly or indirectly, from all persons, firms or corporations for the use of any exhibiting or projecting machines containing any of the inventions described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, or any other Letters Patent hereafter acquired or controlled by the Licensor, which books of account shall be open to the inspection of the Licensee or its duly appointed agent or agents at all reasonable times.

The Licensor further covenants and agrees to render a statement in writing to the Licensee within thirty days after June 20, 1909, and thereafter at the end of each year, counting from June 20, 1909, during the continuance of this agreement, showing correctly all royalties or rents collected by or paid to the Licensor, which statement shall be sworn to by an officer of the Licensor, if so requested by the Licensee, and to pay to the Licensee within thirty (30) days after June 20, 1909, and thereafter at the end of each year counting from June 20, 1909, during the continuance of this agreement, a share of twenty-four (24) per cent. of the gross royalties or rents collected by or paid to the Licensor up to June 20, 1909, and thereafter during each year counting from June 20, 1909, as aforesaid, by persons, firms or corporations for the use of exhibiting or projecting machines containing the inventions, or any of them, described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and any other Letters Patent hereafter acquired or controlled by the Licensor; which share shall be such proportion of said twenty-four (24) per cent. of said gross royalties

or rents as the number of thousand running feet of "Licensed Film," of a greater width than approximately one (1) inch, ordered by and shipped to the Licensee during each of said periods, bears to the total number of thousand running feet of such "Licensed Film," ordered by and shipped to the Licensee and the additional licensees during each of said periods added to the total number of running feet of film of a greater width than approximately one (1) inch having positive pictures thereon, imported during each of said periods by one or more of such additional licensees, if any such be licensed to import the same, after deducting the amount of such "Licensed Film," of a greater width than approximately one (1) inch, ordered by and shipped to the Edison Company and the American Mutoscope & Biograph Company during each of said periods, which two latter companies are not to share in or be paid any part of said twenty-four (24) per cent. of said gross royalties or rents.

The Licensor further covenants and agrees that the number of thousand running feet that may be imported by any such additional licensee shall be furnished by it to the manufacturer of such "Licensed Film" within fifteen (15) days after June 20, 1909, and thereafter at the end of every year, counting from June 20, of the previous year, during the continuance of this agreement, and said twenty-four (24) per cent. of said annual gross royalties or rents collected by or paid to the Licensor during each year shall be paid in gross by it within fifteen (15) days after June 20, 1909, and thereafter at the end of each year, counting from June 20 of the previous year, to the manufacturer of such "Licensed Film," to be apportioned by it as aforesaid, through Price, Waterhouse & Company, chartered accountants, or through some other accountants that may be hereafter mutually agreed upon by and between the manufacturer, the Licensor and the Licensee and the additional licensees, and said manufacturer shall pay to the Licensee the share of said twenty-four (24) per cent. of said annual gross royalties or rents provided for in this paragraph, after receiving the same, without disclosing, directly or indirectly (and such manufacturer shall be bound in writing not to disclose, directly or indirectly), to the Licensor, or to any of said additional licensees, the share apportioned or paid to the Licensee.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that in case the Licensor should be notified by the Licensee or it should otherwise come to its knowledge that

any such additional licensee has knowingly or through gross neglect or carelessness broken, violated or failed to perform any of the terms, conditions or stipulations of the license granted by the Licensor resulting in substantial injury to the Licensor, or the Licensee or the additional licensees aforesaid, the Licensor will promptly notify such licensee in writing of such breach, violation or non-performance, and if such Licensee should for a period of forty (40) days after such notice, persist in or fail to correct, repair or remedy the same, the Licensor shall at once terminate the license to such licensee; and that in case any such licensee should be guilty of a second grossly neglectful, careless or knowing breach, violation or non-performance of such terms, conditions or stipulations, resulting in substantial injury to the Licensor, or the Licensee or the additional licensees aforesaid, then, and in such case, the Licensor shall terminate the license to such licensee by giving the latter thirty (30) days' notice in writing of its intention so to do.

20b. The Licensor and Licensee further mutually covenant and agree that by the expression "motion pictures" as used in the foregoing agreement, is meant transparent or translucent tape-like film having photographs thereon of objects in motion.

21. It is further mutually covenanted and agreed by and between the Licensor and Licensee that unless sooner terminated, as hereinbefore or hereinafter provided, this agreement and the license granted thereby shall take effect , 190 , and shall continue until June 20th, 1910, but that the Licensee may renew this agreement and license thereafter from year to year upon the same terms, conditions and stipulations as herein provided, by giving notice to the Licensor on or before April 20th of each year, beginning with the year 1910, of the Licensee's election to so renew this agreement and license, and upon the giving of each such notice this agreement and the license thereby granted shall be considered and treated by the Licensor and Licensee as renewed for a period of one year, beginning June 20th of the year following such notice, except that the last renewal period shall be for the period from June 20th, 1914, to August 26th, 1919, the date of expiration of the Letters Patent No. 707,934.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that if, during said original term or during any such renewal period, either party should, knowingly or through gross neglect or carelessness, be guilty of a breach, viola-

tion or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, and should, for the period of forty (40) days after notice thereof from the other party, persist therein or fail to correct, repair or remedy the same, then and in such case the party aggrieved may terminate this agreement by giving notice in writing to the guilty party of its intention so to do. It is, however, mutually covenanted and agreed by and between the Licensor and Licensee that if the guilty party should correct, repair or remedy such breach, violation or non-performance of its covenants, conditions and stipulations within the said period of forty (40) days after such notice, and should, thereafter knowingly or through gross neglect or carelessness be guilty of a second breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, then and in such case, the party aggrieved may terminate this agreement by giving thirty (30) days' notice in writing to the guilty party of its intention so to do. Such termination of the agreement, however, shall not prejudice either party hereto in the recovery of damages because of any such breach, violation or non-performance by the other party hereto.

21a. It is mutually covenanted and agreed by and between the Licensor and the Licensee and the Edison Company that the license agreements between the Edison Company and Pathe Freres, of New York; the Kalem Company, of New York; the Essanay Company, of Chicago, Illinois; Siegmund Lubin, of Philadelphia, Pennsylvania; George Melies Company, of Chicago, Illinois; the Selig Polyscope Company, of said Chicago, and The Vitagraph Company of America, of New York, mentioned in Paragraph (c), shall, from the date hereof be deemed suspended and shall not be acted under by any of the parties to any of said license agreements during the continuance of this agreement, except that in case this license agreement, or any of the other license agreements made by one of said parties with the Licensor, as provided for in Paragraph 20, shall be terminated for any breach, violation or non-performance of its covenants, conditions and stipulations, as hereinbefore provided, then simultaneously with such termination, the license agreement made by the same party with the Edison Company shall be considered and be deemed terminated; and except further that any continuation of this agreement or of any of the other agreements made by any of the said parties with the Licensor as provided in Paragraph 21,

shall operate as a continuation in like manner of the agreement by the same party with the Edison Company, except that any such agreement with the Edison Company shall not be continued beyond August 31, 1914, the date of the expiration of said reissued Letters Patent numbered 12,037 and 12,192. In case, however, that the Licensor should become bankrupt, cease doing business or should be dissolved, voluntarily or otherwise, or its charter should be repealed, then on the happening of either of such events, the Licensor shall and will forthwith assign to the Edison Company, its successors and assigns, the entire right, title and interest in and to said reissued Letters Patent Nos. 12,037 and 12,192, and the inventions therein set forth, together with all claims and demands, both at law and in equity, that it may have for infringement of said reissued Letters Patent, or either of them; and also on the happening of either of such events, this agreement and the agreements made with the additional licensees hereinbefore referred to that are then in force shall forthwith terminate and be at an end; and also forthwith and simultaneously with such termination, (if before August 31, 1914), all said agreements made by and between the Edison Company and Pathe Freres, of New York; the Kalem Company, of New York; the Essanay Company, of Chicago, Illinois; Siegmund Lubin, of Philadelphia, Pennsylvania; George Melies Company, of said Chicago; the Selig Polyscope Company, of said Chicago, and The Vitagraph Company of America, New York, that have not been terminated as hereinbefore provided, shall be and become of full force and effect, subject to continuation and termination thereof as therein provided.

22. All notices provided for in this agreement shall be in writing and shall be given by delivering the same to the Licensor or Licensee, as the case may be, or to an officer of the Licensor or Licensee, as the case may be, or by depositing such notice, postage prepaid, in any Post-office of the United States, in a sealed envelope directed to the Licensor or the Licensee, as the case may be, at its last known Post-office address, to be forwarded by registered mail.

23. It is mutually covenanted and agreed by and between the Licensor and Licensee that after notice of the termination of this agreement and the license granted thereby by either party, as provided for in Paragraphs 19 and 21 of this agreement, and after the same have been terminated, no matter what the cause or manner of termination may be, neither this license agreement, nor the fact that the Licensee has entered into or acted under it, shall be used in any

manner, directly or indirectly, by or for the Licensor, its successors, assigns or legal representatives, or by or for others with its or their consent or permission, against the Licensee, or the Licensee's successors or legal representatives, in any litigation, controversy or proceeding involving the Licensee or them or any other persons firms or corporations, or in any other way, it being understood and agreed that upon such termination the positions and rights of the Licensor and Licensee shall be the same as if this agreement had not been made; *provided, however*, that the rights of neither party shall be prejudiced by such termination in the recovery of damages for any breach or other violation of this agreement by the other occurring prior to such termination.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENTS COMPANY,

By

Attest:

.....
President.

.....
Secretary.

EDISON MANUFACTURING COMPANY,

By

Attest:

.....
President.

.....
Secretary.

.....
.....
.....

23, 24, 25, 26.

The four (4) License Agreements between

MOTION PICTURE PATENTS COMPANY

and

KALEM COMPANY

LUBIN MANUFACTURING COMPANY

SELIG POLYSCOPE COMPANY and

THE VITAGRAPH COMPANY OF AMERICA

are dated the 18th day of December, 1908, and are identical in terms with the aforesaid Agreement of said Motion Picture Patents Company and Essanay Film Manufacturing Company, ante p. 152.

27.

LICENSE AGREEMENT.

(a) THIS AGREEMENT, made this 18th day of December, 1908, by and between MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Jersey City, in said State, party of the first part, (hereinafter referred to as the LICENSOR); and GEORGE KLEINE, of Chicago, Illinois, party of the second part, (hereinafter referred to as the LICENSEE), WITNESSETH:

(b) WHEREAS, the Licensor represents that it is organized to own, deal in and grant licenses under Letters Patent pertaining to the motion picture art, and that it is the owner of all the right, title and interest in and to United States Letters Patent

No. 578,185, dated March 2, 1897, for Vitascope, granted to Thomas Armat;

No. 580,749, dated April 13, 1897, for Vitascope, granted to Thomas Armat;

No. 586,953, dated July 20, 1897, for Phantoscope, granted to Charles F. Jenkins and Thomas Armat;

No. 588,916, dated August 24, 1897, for Kinetoscope, granted to Charles M. Campbell as the assignee of Willard G. Steward and Ellis F. Frost;

No. 673,329, dated April 30, 1901, for Kinetoscope, granted to The American Vitagraph Company as the assignee of Albert E. Smith;

No. 673,992, dated May 14, 1901, for Vitascope, granted to Thomas Armat;

No. 707,934, dated August 26, 1902, for Projecting Kinetoscope, granted to E. & H. T. Anthony & Co., as assignees of Woodville Latham;

No. 722,382, dated March 10, 1903, for Animated Picture Apparatus, granted to American Mutoscope & Biograph Company as the assignee of John A. Pross;

No. 744,251, dated November 17, 1903, for Kinetoscope, granted Albert E. Smith;

No. 770,937, dated September 27, 1904, for Kinetoscope, granted The Vitagraph Company of America as the assignee of Albert E. Smith;

No. 771,280, dated October 4, 1904, for Winding-Reel, granted to Albert E. Smith;

No. 785,205, dated March 21, 1905, for Flame-Shield for Kinetoscopes, granted The Vitagraph Company of America as the assignee of William Ellwood; and

No. 785,237, dated March 21, 1905, for Film-Holder for Kinetoscopes, granted The Vitagraph Company of America as the assignee of Albert E. Smith;

all of which said Letters Patent relate to improvements in the motion picture art, and that there are no outstanding licenses, shop rights or other rights under said Letters Patent, or either of them except a license for Parlor Kinetoscopes granted The Karmata Company, of Washington, D. C., under Letters Patent Nos. 578,185, 580,749, 586,953 and 673,992, and certain alleged licenses under U. S. Letters Patent No. 586,953, which are in dispute, claimed to be owned by the Edison Company and the American Graphophone Company, of Washington, D. C., and S. Lubin, of Philadelphia, Pennsylvania; and excepting a license granted by the American Mutoscope & Biograph Company to the firm of Marvin and Casler to manufacture and sell cameras and exhibiting or projecting machines under Letters Patent owned by it (some of which are hereinbefore referred to) for use in foreign countries only, and excepting certain licenses granted by the Armat Motion Picture Company to the American Mutoscope & Biograph Company under Letters Patent Nos. 578,185, 580,749, 586,953, 588,916 and 673,992, and by the latter Company to the former Company under Patents Nos. 707,934 and 722,382, which licenses are, however, by agreement between said parties, suspended and are not to be acted upon until the Licensor becomes bankrupt, ceases doing business or shall be dissolved voluntarily or otherwise, or its Charter shall be repealed; and

(c) WHEREAS, the Licensor is the owner of all the right, title and interest in and to reissued Letters Patent of the United States numbered 12,037, dated September 30, 1902, and 12,192, dated January 12, 1904, the original Letters Patent whereof are numbered 589,168 and dated August 31, 1897, and that there are no outstanding licenses, shop rights or other rights under said reissued Letters Patent, or either of them, except license agreements thereunder between the Edison Company and Pathe Freres of New York, dated May 20, 1908, (to go into effect June 20, 1908), and

between the Edison Company and the Kalem Company, of New York; the Essanay Company of Chicago; Siegmund Lubin, of Philadelphia; George Melies Company of Chicago, Illinois; the Selig Polyscope Company, of said Chicago, and The Vitagraph Company of America, of New York, all dated January 31, 1908; and

(d) WHEREAS, the Edison Company, the Licensee and the other licensees before mentioned under the said reissued Letters Patent numbered 12,037 and 12,192, have suspended the operation of the said license agreements; and

(e) WHEREAS, the Licensee is engaged in the importation of positive motion pictures into the United States, its territories, dependencies and possessions (hereinafter called the "territory aforesaid"), and represents that he does and will control, by exclusive agency contracts, the importation into the United States, of motion picture films made and sold by the Societe des Etablissements Gaumont, of Paris, France, under the trademark or trade name of "Gaumont," and by the Charles Urban Trading Company, Ltd., of London, England, and the Societe Generale des Cinematographes "Eclipse," of Paris, France, under the trademark or trade name of "Urban-Eclipse," and, relying upon the aforesaid representations of the Licensor, and induced thereby, desires to obtain from the Licensor a license under said reissued Letters Patent numbered 12,192, and to lease positive motion pictures, for use in exhibiting or projecting machines containing the inventions, or any of them, described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588, 916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280 785,205, and 785,237, and to sell positive motion pictures on film of a width approximately one (1) inch or less in certain territory and on film of any width in certain territory:

(f) NOW THEREFORE, the parties hereto, for and in consideration of the sum of One Dollar to each in hand paid by the other, and for other good and valuable considerations from each to the other moving, receipt of all of which is hereby acknowledged, have agreed as follows:

(1) The Licensor hereby grants to the Licensee for the term and subject to the covenants, conditions and stipulations hereinafter expressed, only the right and license under said reissued Letters Patent No. 12,192, for the "territory aforesaid," to import positive motion pictures and to import negative motion pictures and print

positive motion pictures therefrom in the United States, such negative or positive motion pictures so imported to be manufactured by the Societe des Etablissements Gaumont, of Paris, France, and by the Charles Urban Trading Company, Ltd., of London, England, and the Societe Generale des Cinematographes "Eclipse" of Paris, France, and to be of the kind now manufactured by the said companies, and now imported into the United States by the Licensee under the trademarks or trade names "Gaumont" and "Urban-Eclipse," and to be limited to the amount of three thousand (3,000) running feet of new subjects per week, and the said three thousand (3,000) feet to be divided among the kinds or makes which the Licensee is hereby permitted to import in the following proportions:

"Gaumont" two thousand (2,000) feet.

"Urban-Eclipse" one thousand (1,000) feet.

These quantities, with a permitted variation of two hundred (200) feet in each quantity, shall be constant during the continuation of this license, and in no case shall the total amount or quantity imported or printed and offered for lease in any one month be in excess of an average of three thousand (3,000) feet of new subjects per week. The Licensee is hereby further licensed to lease the said imported or printed positive motion pictures in the United States, its territories, dependencies and possessions, (with the exceptions of its insular possessions and Alaska), hereinafter referred to as the "lease territory aforesaid," on film of a greater width than approximately one (1) inch, upon condition that they be used solely in exhibiting or projecting machines containing the inventions or some of them of said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and licensed by the Licensor, and to sell positive motion pictures embodying the invention of said reissued Letters Patent No. 12,192, on film of a width approximately one (1) inch or less in the "lease territory aforesaid" and on film of any width in or for said insular possessions and Alaska and foreign countries, hereinafter referred to as "said export territory" or "for export."

The license hereby granted is personal to the Licensee, and in the event of the permanent discontinuance or retirement from business of the Licensee for a period of six consecutive months, the License hereby granted shall be immediately terminated.

The Licensee agrees that he will in good faith use every endeavor

to prevent others than himself from importing in any manner into the "territory aforesaid," the motion pictures made by the companies whose product he is hereby licensed to import, and the Licensee further agrees that if he shall knowingly, or by failure to exercise reasonable care, import or permit to be imported, motion pictures other than those of the kind or makes which he is hereby licensed to import, or motion pictures which purport to be the kind or make which he is hereby licensed to import, but which are in fact those of another kind or make, the license hereby granted shall be terminated and cancelled upon the notice hereinafter provided. The Licensee further agrees that, if he shall cease to control the importation of the motion pictures manufactured by the said foreign manufacturers or either of them, and to be the exclusive sales agent in the United States therefor, by reason of any breach of any condition or stipulation provided in the contract for such exclusive agency made by and between the Licensee and either of the said foreign manufacturers, the license hereby granted to the Licensee to import motion pictures of the particular kind or make manufactured by the foreign manufacturer whose contract has been broken, shall be terminated and canceled by the Licensor upon the notice hereinafter provided. The Licensee further agrees that if either of the foreign manufacturers of the kind or makes of positive motion pictures which the Licensee is hereby licensed to import, shall import, or shall knowingly permit or knowingly be a party to the importation of motion pictures by other than the Licensee, without the Licensee's knowledge and consent, or shall manufacture motion pictures in the United States without the Licensee's consent, the license hereby granted to import motion pictures of the particular kind or make manufactured by said foreign manufacturer may be terminated and canceled by the Licensor, upon the notice hereinafter provided. It is further understood and agreed that if the license hereby granted should be terminated by reason of the permanent discontinuance or retirement from business of the Licensee, or by reason of any breach by the Licensee of any of the covenants, conditions or stipulations of this agreement, or by the non-renewal of said license by the Licensee, at the end of any license period as hereinafter provided, or if the license to import the motion pictures of either of said foreign manufacturers shall be terminated through the fault of the Licensee, the Licensor shall grant to the said foreign manufacturers or either of them, as the case may be, a license to import positive motion pictures,

either directly or through an agent acceptable to the Licensor and the said foreign manufacturers, or either of them, as the case may be, which license shall be under conditions and stipulations similar to those herein expressed. It is further understood and agreed that if the license hereby granted to import the motion pictures manufactured by either of the said foreign manufacturers is terminated by reason of the fault of the said foreign manufacturer, but not of the Licensee, then and in that event the Licensee shall have the right to import the motion pictures manufactured by another foreign manufacturer under the conditions, stipulations and limitations herein provided for the product of the foreign manufacturer, the license to import the product of which has been terminated.

(2) The Licensor, for itself, its successors, assigns and legal representatives, hereby releases, acquits and discharges the Licensee from any and all claims, demands and liability for profits and damages, because of any infringement by the Licensee of any or all of the aforesaid United States Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and reissued Letters Patent No. 12,192, or use by the Licensee of the inventions, or any of them, covered by said Letters Patent or either of them prior to the date hereof.

(3) The Licensee hereby recognizes and admits the validity of said reissued Letters Patent No. 12,192 and Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and the Licensee agrees not to contest or question the same during the continuance of this agreement.

(4) The Licensee covenants and agrees that he will, after the license hereby granted takes effect, pay royalty to the Licensor between the first and fifteenth days of each month on all motion pictures imported by the Licensee during the preceding month, at the rate of one-half ($1\frac{1}{2}$) cent per running foot, and the Licensee further agrees to keep accurate books of account and to submit sworn statements at the time of making such payments giving the total number of running feet of positive motion pictures, classified according to subjects, which the Licensee has imported during the preceding month. The Licensee further agrees that the Licensor shall have the right to inspect the Licensee's books of account through any reputable chartered accountants, to determine the amount of positive

motion pictures which the Licensee shall have imported after the license hereby granted takes effect, and that any failure to pay the said royalties when due and payable, or any making of a false return by the Licensee of the amount of motion picture films imported by the Licensee, shall make the license hereby granted terminable by the Licensor. The Licensor further agrees that the royalties which it will charge to the Licensee on motion pictures of the standard width of approximately one and three-eighths ($1\frac{3}{8}$) inches or thirty-five (35) millimeters, imported by the Licensee in any year during the continuance of this agreement, shall not exceed the following rates, that is to say:

If the amount of motion pictures so imported be four million running feet or less, a royalty of one-half ($\frac{1}{2}$) cent per running foot on the total number of running feet for that year; if such importations for any such year should exceed four million running feet but do not exceed six million running feet, a royalty of four and one-half ($4\frac{1}{2}$) mills per running foot on the total number of running feet for that year; if such importations for any such year should exceed six million running feet, but do not exceed eight million running feet, a royalty of four (4) mills per running foot on the total number of running feet for that year; if such importations for any such year should exceed eight million running feet, but do not exceed ten million running feet, a royalty of three and three-quarters ($3\frac{3}{4}$) mills per running foot on the total number of running feet for that year, and if such importations for any such year should exceed ten million running feet, a royalty of three and one-quarter ($3\frac{1}{4}$) mills per running foot on the total number of running feet for that year, and for motion pictures on film narrower or wider than one and three-eighths ($1\frac{3}{8}$) inch or thirty-five (35) millimeters, the above mentioned royalties shall be reduced or increased in proportion to the reduction or increase in width of such narrower or wider film below or above the width of approximately one and three-eighths ($1\frac{3}{8}$) inch.

The Licensor further covenants and agrees that it will, within thirty (30) days after June 20th of each year repay to the Licensee any excess of royalties which may have been paid by the Licensee during the year by reason of the difference between the rate of one-half ($\frac{1}{2}$) cent per running foot which the Licensee shall have paid and the rate based on the Licensee's total importations for the year which the Licensee should have paid according to the foregoing

schedule, the royalty rate to be charged for the period between the date hereof and June 20, 1909, to be that which would have been charged if the importations of motion pictures by the Licensee had been continued for a year at the same rate at which such importations were made for such period.

It is further understood and agreed that if the Licensee shall import negatives and print positives therefrom in the United States, he will, during the continuance of this agreement, use exclusively sensitized film manufactured and sold in the United States by a manufacturer or manufacturers in accordance with the Licensee's agreement with the Licensor, as hereinafter provided, will collect and pay to the Licensor royalties on such sensitized film, and hereinafter called "Licensed Film," and that the Licensee will not, in the "territory aforesaid" purchase or otherwise acquire or lease or sell or otherwise dispose of or deal in, motion pictures produced on or by the use of any other film than such "Licensed Film," nor sell or otherwise dispose of any negative motion pictures.

The Licensor further covenants and agrees that it will, in an agreement in writing with each manufacturer of "Licensed Film," obligate such manufacturer, so long as the latter has the exclusive right to make and sell such "Licensed Film," not to knowingly furnish or sell, in the "territory aforesaid," except "for export," sensitized film for the commercial production of negative and positive motion pictures to any one but the Licensee, and the additional licensees hereinafter provided for, except to the extent of 2½% of the total amount of such "Licensed Film" supplied by such manufacturer to the said parties to the license agreements referred to in Paragraph (c) during the year preceding June 20, 1909, and to the Licensee and the additional licensees hereinafter provided for, during any one year thereafter during the continuance of such agreement, which amount such manufacturer shall have the right to furnish or sell, in the "territory aforesaid," to persons not engaged in the business of manufacturing, leasing, selling, loaning, renting out, or otherwise disposing of or dealing in motion pictures in the "territory aforesaid"; and with the further exception that such manufacturer may also reserve the right to manufacture and sell sensitized film suitable for the commercial production of negative and positive motion pictures, of a width not to exceed approximately one (1) inch in the "territory aforesaid," to persons, firms or corporations

engaged in the business of manufacturing, leasing, selling, loaning, renting out or otherwise disposing of or dealing in motion pictures in the "territory aforesaid," but upon the condition that in case any of them produces thereon any picture greater in size than approximately three-quarters ($\frac{3}{4}$) of an inch on a line either parallel to or at right angles to the edge of such film, and such manufacturer has knowledge thereof, such manufacturer will cease supplying such film to any person, firm or corporation so doing; and with the further exception that such manufacturer may also reserve the right to manufacture and sell in the "territory aforesaid" such sensitized film suitable for the commercial production of negative and positive motion pictures of any width, to persons, firms or corporations now having an established business of manufacturing motion pictures in any country foreign to the United States, who now manufacture negative and positive motion pictures in the United States, or who may after the date of this agreement commence the manufacture of negative or positive motion pictures in the United States.

The Licensor further covenants and agrees that the royalties which it will charge to and receive from the Licensee for "Licensed Film" (and which are to be included by the manufacturer or manufacturers in the prices charged for "Licensed Film" to the Licensee and paid over to the Licensor) shall not, for "Licensed Film" of a width approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ inch) or thirty-five (35) millimeters, purchased by the Licensee during the year preceding June 20, 1909, and during any year thereafter during the continuance of this agreement, as hereinafter provided, exceed the following rates, that is to say:

If the shipments of such "Licensed Film" to the Licensee, on the Licensee's orders, for any such year, be four million running feet or less, a royalty of one-half ($1\frac{1}{2}$) cent per running foot on the total number of running feet for that year; if such shipments, on the Licensee's orders, of such "Licensed Film," for any such year, exceed four million running feet but do not exceed six million running feet, a royalty of four and one-half ($4\frac{1}{2}$) mills per running foot on the total number of running feet for that year; if such shipments, on the Licensee's orders, of such "Licensed Film" for any such year, exceed six million running feet but do not exceed eight million running feet, a royalty of four (4) mills per running foot on the total number of running feet for that year; if such shipments, on

the Licensee's orders, of such "Licensed Film," for any such year, exceed eight million running feet but do not exceed ten million running feet, a royalty of three and three-quarters ($3\frac{3}{4}$) mills per running foot on the total number of running feet for that year; and if such shipments, on the Licensee's orders, of such "Licensed Film," for any such year, exceed ten million running feet, a royalty of three and one-quarter ($3\frac{1}{4}$) mills per running foot on the total number of running feet for that year. And for "Licensed Film" narrower or wider than approximately one and three-eighths ($1\frac{3}{8}$) inch or thirty-five (35) millimeters, the above mentioned royalty rates shall be reduced or increased in proportion to the reduction or increase in width of such narrower or wider "Licensed Film" below or above the width of such "Licensed Film" of approximately one and three-eighths ($1\frac{3}{8}$) inch or thirty-five (35) millimeters.

The Licensor and the Licensee further mutually covenant and agree that the manufacturer of such "Licensed Film" shall in the first instance, that is to say, when such film is billed and shipped by it, charge the Licensee with its price per running foot plus the maximum royalty aforesaid, and on the expiration of each year, counting from June 20, 1909, shall adjust the royalty account of the Licensee as to "Licensed Film" so billed and shipped to and paid for by the Licensee, according to the royalty schedule aforesaid, returning to the Licensee any amount the Licensee shall have overpaid according to said schedule, and paying the balance to the Licensor; and that the royalties which may hereafter be paid to the manufacturer of such "Licensed Film" after the date hereof and up to June 20, 1909, under this agreement, shall be adjusted and the excess returned, in the same manner, the royalty rate to be charged for such period being the rate that would have been charged if the shipments of "Licensed Film" to the Licensee had been continued for a year at the same rate at which shipments were made for such period.

The Licensor further agrees that the dealings between the Licensee and the authorized manufacturer or manufacturers from whom the Licensee purchases such "Licensed Film" shall, insofar as the number of running feet ordered by or shipped to the Licensee or anything that would indicate or disclose the number of such feet is concerned, be a matter of confidence between the Licensee and such manufacturer or manufacturers, who shall not be at liberty to disclose, and moreover shall be bound in writing not to disclose,

directly or indirectly, to the Licensor or any of the additional licensees hereinafter provided for, the number of such feet of "Licensed Film" so ordered by or shipped to the Licensee; the Licensor further agreeing to so arrange or provide for the reports and royalty payments to be made to it by such manufacturer or manufacturers that the latter shall make such reports and royalty payments in gross, as to all of the Licensees to whom shipments of such "Licensed Film" are made, and without specifying the number of running feet of "Licensed Film" so shipped to any of them, either by a statement in writing of the number of such feet or the amount of royalties paid or to be paid by such manufacturer or manufacturers for or on account thereof.

The Licensor and Licensee further mutually covenant and agree that no royalty other than or in addition to that provided for in this paragraph shall be charged to or collected from the Licensee by the Licensor up to June 20, 1910, or during any renewal of this agreement up to August 31, 1914, the date of the expiration of said reissued Letters Patent Nos. 12,037 and 12,192, and no royalty whatever shall be charged to or collected from the Licensee by the Licensor after either the first, second and third claims of said reissued Letters Patent No. 12,037, and either of the claims of said reissued Letters Patent No. 12,192, in any suit as hereinafter provided for, for infringement thereof, are held invalid by a court that last hears and decides such suit, or after August 31, 1914, during any renewal of this agreement; and that the Licensor shall charge royalties or rents for the use of all exhibiting or projecting machines capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, containing the inventions, or any of them, described and claimed in the aforesaid Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, licensed by the Licensor, and that all such royalties or rents shall be collected by the Licensor directly or indirectly, from the exhibitors using such machines, and shall be fixed by the Licensor and charged to and collected from such exhibitors by the Licensor at such a rate as to average as nearly as possible a royalty or rental of Two Dollars (\$2.00) per week for each such licensed machine in use.

(5.) The Licensee further covenants and agrees not to sell or otherwise dispose of or offer for sale, in the "territory aforesaid,"

unexposed positive or negative "Licensed Film" during the continuance of this agreement; but this provision shall not prevent the Licensee from selling as refuse, in the "territory aforesaid," second-hand positive or negative motion pictures or motion pictures which have been used or have become shop-worn or in any way damaged, to a manufacturer or manufacturers of "Licensed Film" or to a manufacturer to manufacture other articles than film therefrom, but only after they have been rendered by the Licensee unsuitable for use as motion pictures by cutting or otherwise defacing them; or from selling exposed positive or negative film (either waste or in rolls) known as "blank film" for use by dealers, renters, or exhibitors for leaders or for spacing or for similar purposes, but which shall not and cannot be otherwise employed for the exhibition of motion pictures.

(6.) The Licensee further covenants and agrees not to lease, loan, rent out, sell or offer for sale, or otherwise dispose of in the "territory aforesaid," motion pictures to anyone purchasing or otherwise obtaining, leasing, using, loaning, renting out, selling, offering for sale, or otherwise disposing of or dealing in motion pictures containing the invention of said reissued Letters Patent No. 12,192, not the output of the Licensee or the additional licensees hereinafter provided for.

(7.) The Licensee further covenants and agrees that in each picture of at least one scene of each subject of positive motion pictures on film of a greater width than approximately one (1) inch imported or printed by the Licensee and leased in the "lease territory aforesaid," there shall be photographically printed the trademark of the manufacturer of the negative of the said motion picture, and that he will mark conspicuously on the labels which shall be placed on boxes or packages containing positive motion pictures on film of a greater width than approximately one (1) inch printed or imported by the Licensee in the "territory aforesaid," with the following words and figures:

LICENSED
MOTION PICTURE

Leased by and Property of

GEORGE KLEINE,
Chicago, Ill., U. S. A.

(Patented in the United States August 31, 1897; reissued
January 12, 1904).

The enclosed motion picture is leased only and upon the following terms and conditions:

1. That the lessee shall not sell or otherwise dispose of the same outright, but shall have only the right to sub-let or use such motion picture.

2. That the lessee shall permit such motion pictures to be exhibited only on motion picture projecting machines licensed by the Motion Picture Patents Company of New Jersey under its patents covering such projecting machines.

3. That the lessee shall not sub-let such motion picture or any other motion picture containing the invention of the above reissued patent for use in any motion picture exhibitions at a lower sub-rental price, directly or indirectly, than that agreed upon (if any) in the contract of lease between the lessee and the lessor of this picture.

4. That the lessee or user thereof shall not make or permit others to make any reproduction, commonly known as a "dupe," of such motion picture or any other motion picture containing the inventions of the above reissued patent.

5. That the lessee or user thereof shall not remove the trademark or trade name or title therefrom.

6. That the violation of any of the foregoing conditions entitles the lessor to immediate possession of this motion picture without liability for any price which the lessee or the person in whose possession it is found, may have paid therefor.

The Licensor further covenants and agrees to use all possible diligence in licensing exhibiting or projecting machines now in use in the "lease territory aforesaid" embodying any or all of the inventions described and claimed in the said Letters Patent Nos. 578,-

185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and that royalties or rents from the users of such exhibiting or projecting machines will not be exacted, directly or indirectly, until February 1st, 1909.

(8.) The Licensee further covenants and agrees not to use, in the production of positive motion pictures, under this agreement, the negative or positive motion pictures (or reproductions commonly known as "dupes" of the negative or positive motion pictures) of any other manufacturer or person, firm or corporation located either in the "territory aforesaid" or in any foreign country, whether the same have or have not been copyrighted in the "territory aforesaid" or in any foreign country.

(9.) The Licensor has established the following scale of minimum prices (which the Licensee admits is a fair and reasonable one) for the lease of positive motion pictures on film of a greater width than approximately one (1) inch in the "lease territory aforesaid," embodying the invention of said reissued Letters Patent No. 12,192:

List.....	13 cents per running foot
Standing Order.....	11 cents per running foot
Films leased between two and four months after release date.....	9 cents per running foot
Film leased between four and six months after release date.....	7 cents per running foot
Film leased over six months after release date.....	5 cents per running foot

The Licensor and the Licensee further mutually covenant and agree that the above scale of minimum prices is to remain in force until a new scale of prices is adopted, each such new scale to be adopted, during the continuance of this agreement, by a majority vote, (to be forthwith communicated to the Licensor), of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees on the basis of one vote for each thousand running feet of new subjects on film of a greater width than approximately one (1) inch offered for lease or sale in the "territory aforesaid" by each licensee during the year preceding the taking of such vote and for the purpose of determining the vote of the Licensee under any of the provisions of this agreement, it shall be assumed that the Licensee has imported and offered for lease or sale, three thousand (3,000) running feet of new sub-

jects and no more, each week during the year preceding the date hereof; and they further covenant and agree that any changes which may hereafter be so made, and communicated to the Licensor, in said scale of prices, and of which the Licensee shall be notified in writing by the Licensor, shall be accepted and adopted by the Licensee in the place and stead of the scale of prices above given or of any substitute or substitutes therefor adopted prior to such change. It is, however, expressly mutually covenanted and agreed that in no case shall such new scale of prices, either list or standing order, be less than nine (9) cents per running foot for any motion picture leased within four months of the date of release of the said motion picture.

By the expression "running feet of new subjects" above referred to, and hereafter used, the parties hereto mean the aggregate amount ascertained by adding together the individual number of running feet of one print of each and every new motion picture on film of a greater width than approximately one (1) inch, regularly listed and offered for lease in the "lease territory aforesaid."

The Licensor and Licensee further mutually covenant and agree that in case, during the continuance of this agreement, there should be for any reason only three such Licensees, then, and in such case, the Licensor may adopt a minimum scale of prices in the place and stead of the minimum scale of prices above given or of any substitute or substitutes therefor adopted in the manner above provided, which, however, shall in no case be above the minimum scale of prices that may be in force at the time the Licensor adopts the said new minimum scale of prices, which said new minimum scale of prices shall be binding upon the Licensee only after receiving notice thereof in writing from the Licensor.

(10) The Licensor and Licensee further mutually covenant and agree that an order in the "lease territory aforesaid," for one or more positive motion pictures of each and every new subject imported by the Licensee, (except chrono-photographic subjects and other special subjects that are announced and advertised as special by the Licensee and of which no copy or print is leased by the Licensee for less than list price within two (2) months after release date) when offered for lease in the regular order of business, shall constitute a "standing order" within the meaning of the scale of prices aforesaid or any substitute therefor hereafter adopted, said standing order to remain in force for not less than fourteen (14) consecutive days; and the

parties hereto further mutually covenant and agree that the minimum price at which any additional positive motion pictures shall be leased, in the "lease territory aforesaid," subsequent to the filling of a standing order, shall be the same per running foot as the pictures furnished on such standing order, unless otherwise provided for in the scale of prices aforesaid or any substitute therefor hereafter adopted. All positive motion pictures which may be hereafter leased in the "lease territory aforesaid," to persons not having a standing order, as above defined, shall in every case be leased at not less than the list price mentioned in said scale of prices or any substitute therefor hereafter adopted, except it be otherwise provided by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid" by each licensee during the year preceding the taking of such vote.

(11.) The Licensor and Licensee further mutually covenant and agree that positive motion pictures imported by or for the Licensee and unsold prior to the date hereof, shall be subject to the scale of prices aforesaid, and shall be leased in the "lease territory aforesaid," at not less than the prices fixed in said scale for positive motion pictures as provided for in Paragraphs 9 and 10.

(12.) The Licensor and Licensee further mutually covenant and agree that in the case of so-called "special motion pictures," (where it is agreed by the Licensee, that the negative shall be the exclusive property of the person ordering the same, although remaining in the care and custody of the Licensee, and where positive prints therefrom shall be made from time to time, on the order of such person), the price at which positive prints therefrom shall be leased in the "territory aforesaid," shall not be less than fifteen (15) cents per running foot.

(13.) The Licensee further covenants and agrees not to lease motion pictures in the "lease territory aforesaid," under any circumstances either directly or indirectly, during the continuance of this agreement, at lower prices than those fixed and established as provided for in Paragraphs 9, 10, 11 and 12.

(14.) It is further and mutually covenanted and agreed by the Licensor and Licensee that the Licensee shall have the right to sell

motion pictures in and for "said export territory" and that the prices above referred to in Paragraphs 9, 10, 11 and 12, or any substitute or substitutes for the same hereafter adopted, shall not apply to sales or shipments of motion pictures made *bona fide* for export, when the goods, addressed to the purchaser, agent or consignee, are delivered to the vessel or to a transportation company for transportation to "said export territory," and not otherwise.

The Licensor and the Licensee further mutually covenant and agree that in no case shall sales "for export" of motion pictures be knowingly made by the Licensee to persons, firms or corporations whom such Licensee has reason to believe will reimport them into the "lease territory aforesaid" for sale or use.

(15.) The Licensor and the Licensee further mutually covenant and agree that, except as provided for in Paragraph 5, the Licensee will not sell or lease, or offer for sale or lease in the "territory aforesaid" at reduced prices, second-hand motion pictures or motion pictures which have been used or which have become shopworn or in any way damaged.

(16.) The Licensor and the Licensee further mutually covenant and agree that in the "lease territory aforesaid," all leases of positive motion pictures shall be at the prices hereinbefore provided for without the allowance of any discounts or rebates or other reduction (except such as may be adopted by the unanimous vote of all licensees) by which a lessee might acquire positive motion pictures at lower prices than those set forth in Paragraphs 9, 10, 11 and 12, or any substitute therefor hereafter adopted, and that the Licensee will not dispose of such positive motion pictures as premiums, or by lottery, or raffle, or any game of chance, or in any way whereby they may be acquired directly or indirectly for less than the prices set forth in Paragraphs 9, 10, 11 and 12, or substitutes therefor.

The Licensee further covenants and agrees that, in the "lease territory aforesaid," the Licensee will not sell or offer for sale other goods or merchandise at less than current prices in order to induce the lease of positive motion pictures, nor present or donate other goods or merchandise or prizes, or make use of credit cards or trading stamps, or offer any premiums of any kind whatsoever to induce the lease of such positive motion pictures.

(17.) It is further mutually covenanted and agreed by and between the Licensor and Licensee that no lease of positive motion

pictures, on film of a greater width than approximately one (1) inch, shall be made in the "lease territory aforesaid" by the Licensee, except upon and subject to the following terms and conditions, the substance of which (with the exception of the condition as to the return of positive motion pictures hereinafter referred to) shall be expressed in a printed notice on the labels, as provided for in Paragraph 7, accompanying each positive motion picture, namely (1) that the lessee of such positive motion picture shall not sell or otherwise dispose of the same outright, but shall only have the right to use such positive motion picture in giving motion picture exhibitions in machines licensed by the Licensor under the said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, or one or more of them, or under any other Letters Patent that it may hereafter acquire or control, or to sub-lease such motion picture for use in such machines, and that (2) the lessee shall not make or permit others to make any reproduction commonly known as a "dupe" of such positive motion picture or any other positive motion picture containing the invention of said reissued Letters Patent No. 12,192, or (3) sub-lease the same or any other positive motion picture on film of a greater width than approximately one (1) inch containing the invention of said reissued Letters Patent No. 12,192, for use in giving motion picture exhibitions, at a lower lease price directly or indirectly than that prescribed by the Licensee at the time of the lease of such motion picture; and (4) that the lessee of such positive motion picture shall not remove the trade mark or trade name or title therefrom, and (5) that the lessee shall return to the Licensee from whom such positive motion picture has been leased (without any payment therefor except the transportation charges incident to the return of the same) on the first day of every month, beginning with February 1st, 1909, an amount of positive motion pictures, (on film of a greater width than approximately one (1) inch) in running feet (not leased by the Licensee over six months before) and of the make of the Licensee, to whom it is returned, equal to the amount that was so leased during the sixth month preceding the date of each such return; with the exception, however, that where any such positive motion pictures are destroyed by fire or lost in transportation, and proof satisfactory to the Licensee is furnished as to such destruction or loss, the amount so destroyed or lost shall be deducted from the amount to be returned, as aforesaid.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that the sub-leasing price aforesaid for sub-leasing of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be fixed, (and which may be changed in the same manner during the continuance of this agreement, as may also the 5th condition before recited in this paragraph) by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid" by each licensee during the year preceding the taking of such vote.

The Licensee further covenants and agrees that in the "lease territory aforesaid" the Licensee will not discriminate in favor of any lessee, or place upon any motion pictures any restrictions, other than those specified in this paragraph and Paragraph 7 hereof, unless authorized by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees.

(18.) The Licensee covenants and agrees that in the "lease territory aforesaid" the Licensee will dispose of the positive motion pictures, on film of a greater width than approximately one (1) inch, imported or printed by the Licensee, only by the sale "for export" and shipment thereof into "said export territory," or by the lease thereof to others for the purpose only of either sub-leasing the same to persons, firms or corporations using such motion pictures for giving exhibitions thereof in exhibiting or projecting machines licensed by the Licensor containing the inventions, or some of them, described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, or in Letters Patent hereafter acquired or controlled by the Licensor, or of using the same in such machines so licensed; and will not use the same for the purpose of giving exhibitions thereof for profit, directly or indirectly; it being expressly understood and agreed by and between the Licensor and Licensee, however, that the Licensee shall be at liberty to give exhibitions of such positive motion pictures without profit, directly or indirectly, and to possible or prospective lessees or purchasers thereof; and the Licensee further covenants and agrees not to knowingly

allow positive motion pictures, on film of a greater width than approximately one (1) inch, imported or printed by the Licensee under this agreement, to be leased for use with any exhibiting or projecting machine not licensed by the Licensor under the Letters Patent mentioned in this paragraph, and that it may hereafter acquire or control, or one or more of them, except by and with the consent of the Licensor; and also to refrain from supplying such motion pictures imported or printed under this agreement, for use with any exhibiting or projecting machine, the license for which, under the aforesaid Letters Patent, or one or more of them, has been terminated, and the Licensee has been notified thereof by the Licensor; and also to refrain from supplying such motion pictures imported or printed under this agreement to any lessee who may sublet such motion pictures to persons, firms or corporations using the same for giving exhibitions thereof in exhibiting or projecting machines not licensed by the Licensor as aforesaid, or the license for which has been terminated and the Licensee has been notified by the Licensor that any such lessee continues to so sublet such motion pictures after being notified by the Licensor not to do so; and the Licensor covenants and agrees to promptly notify any such lessee who may so sub-let such motion pictures, after it has knowledge of any such sub-letting, and to notify the Licensee and the additional licensees hereafter provided for, or such of them as may at the time be licensees, of the termination of any license for the use of any exhibiting or projecting machines under the aforesaid Letters Patent, or any of them, and of any such lessee who may so sublet such motion pictures, after being notified by it not to do so, and to compel all such additional licensees to refrain from supplying motion pictures for use with any such exhibiting or projecting machine, the license for which has been so terminated, or to any such lessee.

(19.) The Licensor and Licensee further mutually covenant and agree that the Licensor shall and will, during the continuance of this agreement, promptly institute suits against any and all infringers of the Letters Patent, or any of them, mentioned in this agreement, on the request of a majority of the licensees, including the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, and will thereafter diligently prosecute any such suit or suits to final hearing and decision; all expense connected with the institution and

prosecution of such suit or suits to be borne by the Licensor, who shall also be entitled to receive and apply to its own use all recoveries had therein for damages and profits.

The Licensor and Licensee further mutually covenant and agree that if in case any such suit is brought upon said reissued Letters Patent No. 12,192, or said Letters Patent Nos. 586,953 or 722,382, either of the claims of said reissued Letters Patent No. 12,192, or any of the claims in issue in any such suit upon said Letters Patent Nos. 586,953 or 722,382, is or are held invalid by a court that last hears and decides such suit, or should be held by such court not to be infringed, then, and in any such case, the Licensee may at once terminate this agreement and the license thereby granted, by giving notice of its election so to do to the Licensor.

The Licensor and Licensee further mutually covenant and agree that the Licensor may, at its own expense (except as hereinafter provided) during the continuance of this agreement, institute and prosecute suits against any of the several additional licensees hereinafter provided for, for any breach or violation on the part of any such licensee of the covenants respecting prices at which positive motion pictures shall be leased in the "lease territory aforesaid," and also for violation of any of the other terms, conditions or stipulations entered into by such licensee; that the Licensor shall at the end of each year, counting from the day and year first above written render to the Licensee and the other licensees hereinafter provided for, or such of them as may at the time be licensees, a statement in writing showing in detail all legal expenses incurred by it during such year in the prosecution of such suit or suits; and that up to, but not exceeding the sum of Twenty Thousand Dollars (\$20,000) for any such year, all such legal expenses, insofar as they may be reasonable and proper, shall be borne and paid by the Licensee and the several additional licensees hereinafter provided for, *pro rata* according to the number of thousand running feet of new subjects offered for lease by each relatively to the total number of thousand running feet of new subjects on film of a greater width than approximately one (1) inch offered for lease or sale by all in the "territory aforesaid" during the year preceding the rendition of such statement, any legal expenses in excess of said Twenty Thousand Dollars (\$20,000) during any such year to be borne and paid by the Licensor unless the Licensor and the Licensee and the several

additional licensees hereinafter provided for should hereafter mutually agree otherwise.

(20.) It is mutually covenanted and agreed by and between the Licensor and Licensee that the Licensor may grant other licenses under said reissued Letters Patent No. 12,192, said licenses to be in writing and not to exceed nine in number, seven to be to the persons and corporations mentioned in Paragraph (c) as having license agreements with the Edison Company, one to the Edison Company, and one to the American Mutoscope & Biograph Company, of the City of New York (except by a majority vote of the Licensee and the nine other licensees, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid" by such licensees during the year preceding the taking of such vote); *provided, however*, that if any of such additional nine licenses should be terminated, during the continuance of this agreement, then and in such case, the Licensor may grant a license in writing to some other motion picture manufacturer.

It is further mutually covenanted and agreed by and between the Licensor and the Licensee that the Licensor will, during the continuance of this agreement, license such a number of persons, firms or corporations under said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, to make and sell exhibiting or projecting machines containing the inventions described and claimed in the same, capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, and also such machines not capable of exhibiting or projecting motion pictures on film of a greater width than approximately one (1) inch, as will be able to supply the demand for the same; and that it shall not, and it hereby covenants and agrees that it will not, during the continuance of this agreement, license any person, firm or corporation under said Letters Patent or any of them to make or sell any such exhibiting or projecting machine containing any of the inventions described and claimed in said Letters Patent, and capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, except upon the conditions and restrictions that the sale and purchase of such machine gives only the right to use it solely for exhibiting or pro-

jecting motion pictures containing the inventions of said reissued Letters Patent No. 12,192 leased by a licensee of the Licensor while it owns or controls the Letters Patent under which such machine is licensed and upon other terms to be fixed by the Licensor while in use, and while the Letters Patent under which it is licensed are owned or controlled by the Licensor (which other terms shall be the payment of a royalty or rental to the Licensor while in use, as hereinbefore provided for), and that there shall be attached to each such machine, in a conspicuous place, a plate which is not to be removed therefrom, showing plainly not only the dates of the Letters Patent under which it is licensed, but also the aforesaid conditions or restrictions.

The Licensor further covenants and agrees that it will not charge any such person, firm or corporation manufacturing and selling any such machine capable of exhibiting or projecting motion pictures on a film of a width greater than approximately one (1) inch, more than Five Dollars (\$5.00) as a license fee for the sale of each such exhibiting or projecting machine sold by any such person, firm or corporation.

The Licensor further covenants and agrees that it will not license any person, firm or corporation to make or sell any exhibiting or projecting machine containing any of the inventions described and claimed in the aforesaid letters patent which is not capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, except upon the conditions and restrictions that such machine be used solely for exhibiting or projecting motion pictures on film not wider than approximately one (1) inch, in places where no admission fee is charged, and that there shall be attached to each such machine, in a conspicuous place, a plate which is not to be removed therefrom, showing plainly, not only the dates of the Letters Patent under which it is licensed, but also the aforesaid conditions or restrictions, and that the Licensor will not charge to any person, firm or corporation making or selling any such machine a license fee of more than 5% of the net retail selling price of each such machine.

The Licensor further covenants and agrees that it will grant a license to the Licensee, upon its request, to manufacture and sell exhibiting or projecting machines under the Letters Patent, and upon the condition as to the payment of the license fees or royalties and the other conditions and restrictions, as provided for in this

paragraph, and will also grant similar licenses upon the same conditions as to the payment of the license fees or royalties and the other conditions and restrictions, to such of the additional licensees hereinbefore provided for who may request the same; except that the said American Mutoscope & Biograph Company is not to pay any such license fees or royalties; and will also grant a license to the Licensee and any such additional licensees who may request the same, to make and sell exhibiting or projecting machines under any other Letters Patent and containing the inventions described and claimed therein that the Licensor may hereafter acquire or control, upon the payment of additional license fees or royalties to be fixed by the Licensor, and subject to similar conditions and restrictions and the placing upon the machines of plates containing such conditions and restrictions as are provided for in this paragraph respecting exhibiting or projecting machines made and sold under the Letters Patent now owned by the Licensor mentioned in this paragraph, the royalty or license fee, and all other conditions and restrictions of such last named licenses to be the same for the Licensee and such other licensees.

It is mutually covenanted and agreed, however, by and between the Licensor and Licensee, that the Licensor shall have the right to grant and that it will grant, licenses to persons, firms and corporations upon their request (including the Licensee) to manufacture and sell exhibiting or projecting machines, containing the inventions described and claimed in the aforesaid Letters Patent now owned by the Licensor, capable of exhibiting or projecting, by reflected light, animated pictures on film of any width, but not capable of exhibiting or projecting the same by transmitted light, upon the payment of a royalty or license fee not to exceed 5 per cent of the net retail selling price of each such machine, and upon the condition that they be used only in places where no admission fee is charged, which condition shall appear on a plate to be attached to each such machine; and also that it will grant licenses to such persons, firms and corporations to manufacture and sell such exhibiting or projecting machines containing the inventions described and claimed in any Letters Patent that the Licensor may hereafter own or control, subject to similar conditions or restrictions and upon the payment of additional license fees or royalties to be fixed by the Licensor; the royalty or license fee, and all the conditions and

restrictions of all such licenses to be the same for the Licensee and such other licensees.

20a. The Licensor further covenants and agrees that it will keep separate books of account showing all royalties or rents charged to or received, directly or indirectly, from all persons, firms or corporations for the use of any exhibiting or projecting machines containing any of the inventions described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, or any other Letters Patent hereafter acquired or controlled by the Licensor, which books of account shall be open to the inspection of the Licensee or its duly appointed agent or agents at all reasonable times.

The Licensor further covenants and agrees to render a statement in writing to the Licensee within thirty days after June 20th, 1909, and thereafter at the end of each year, counting from June 20th of the previous year, during the continuance of this agreement, showing correctly all royalties or rents collected by or paid to the Licensor, which statement shall be sworn to by an officer of the Licensor, if so requested by the Licensee, and to pay to the Licensee within thirty (30) days after June 20, 1909, and thereafter at the end of each year counting from June 20th of the previous year, during the continuance of this agreement, a share of twenty-four per cent. (24%) of the gross royalties or rents collected by or paid to the Licensor up to June 20th, 1909, and thereafter counting from June 20th of the previous year during each year as aforesaid, by persons, firms or corporations for the use of exhibiting or projecting machines containing the inventions, or any of them, described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and any other Letters Patent hereafter acquired or controlled by the Licensor; which share shall be such proportion of said twenty-four per cent. of said gross royalties or rents as the number of thousand running feet of "Licensed Film," of a greater width than approximately one (1) inch, ordered by and shipped to the Licensee added to the number of thousand running feet of film of a greater width than approximately one (1) inch having positive motion pictures thereon, imported by the Licensee during each of said periods, bears to the total number of thousand running feet of such "Licensed Film" ordered by and shipped to the Licensee and

the additional licensees during each of said periods added to the total number of running feet of film of a greater width than approximately one (1) inch having positive pictures thereon, imported during each of said periods by one or more of such additional licensees, if any such be licensed to import the same, after deducting the amount of such "Licensed Film," of a greater width than approximately one (1) inch, ordered by and shipped to the Edison Company and the American Mutoscope & Biograph Company during each of said periods, which two latter companies are not to share in or be paid any part of said twenty-four per cent. (24%) of said gross royalties or rents.

The Licensor further covenants and agrees that the number of thousand running feet that may be imported by the Licensee and any such additional licensees shall be furnished by it to the manufacturer of such "Licensed Film" within fifteen (15) days after June 20, 1909, and thereafter at the end of every year, counting from June 20th of the previous year, during the continuance of this agreement, and said twenty-four per cent. (24%) of said annual gross royalties or rents collected by or paid to the Licensor during each year shall be paid in gross by it within fifteen (15) days after June 20th, 1909, and thereafter at the end of each year, counting from June 20th of the previous year, to the manufacturer of such "Licensed Film," to be apportioned by it as aforesaid, through Price, Waterhouse & Company, chartered accountants, or through some other accountants that may be hereafter mutually agreed upon by and between the manufacturer, the Licensor and the Licensee and the additional licensees, and said manufacturer shall pay to the Licensee the share of said twenty-four per cent. (24%) of said annual gross royalties or rents provided for in this paragraph, after receiving the same, without disclosing, directly or indirectly, (and such manufacturer shall be bound in writing not to disclose, directly or indirectly), to the Licensor, or to any of said additional licensees, the share apportioned or paid to the Licensee.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that in case the Licensor should be notified by the Licensee or it should otherwise come to its knowledge that any such additional licensee has knowingly or through gross neglect or carelessness broken, violated or failed to perform any of the terms, conditions or stipulations of the license granted by the Licensor, resulting in substantial injury to the Licensor, or the

Licensee or the additional licensees aforesaid, the Licensor will promptly notify such Licensee in writing of such breach, violation or non-performance, and if such Licensee should, for a period of forty (40) days, after such notice, persist in or fail to correct, repair or remedy the same, the Licensor shall at once terminate the license to such licensee; and that in case any such licensee should be guilty of a second grossly neglectful, careless or knowing breach, violation or non-performance of such terms, conditions or stipulations, resulting in substantial injury to the Licensor, or the Licensee or the additional licensees aforesaid, then, and in such case, the Licensor shall terminate the license to such licensee by giving the latter thirty (30) days' notice in writing of its intention so to do.

20b. The Licensor and Licensee further mutually covenant and agree that by the expression, "motion pictures," as used in the foregoing agreement, is meant transparent or translucent, tape-like film having photographs thereon of objects in motion.

21. It is further mutually covenanted and agreed by and between the Licensor and Licensee that unless sooner terminated, as hereinbefore or hereinafter provided, this agreement and the license granted thereby shall take effect January 1st, 1909, and shall continue until June 20, 1910, but that the Licensee may renew this agreement and license thereafter from year to year upon the same terms, conditions and stipulations as herein provided, by giving notice to the Licensor on or before April 20th of each year, beginning with the year 1910, of the Licensee's election to so renew this agreement and license, and upon the giving of each such notice this agreement and the license thereby granted shall be considered and treated by the Licensor and Licensee as renewed for the period of one year, beginning June 20th of the year following such notice, except that the last renewal period shall be for the period from June 20th, 1914, to August 26th, 1919, the date of expiration of the Letters Patent No. 707,934.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that if, during said original term or during any such renewal period, either party should, knowingly or through gross neglect or carelessness, be guilty of a breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, and should, for the period of forty (40) days after notice thereof from the other party,

persist therein or fail to correct, repair or remedy the same, then and in such case the party aggrieved may terminate this agreement by giving notice in writing to the guilty party of its intention so to do. It is, however, mutually covenanted and agreed by and between the Licensor and Licensee that if the guilty party should correct, repair or remedy such breach, violation or non-performance of its covenants, conditions and stipulations within the said period of forty (40) days after such notice, and should thereafter knowingly or through gross neglect or carelessness be guilty of a second breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, then and in such case, the party aggrieved may terminate this agreement by giving thirty (30) days' notice in writing to the guilty party of its intention so to do. Such termination of the agreement, however, shall not prejudice either party hereto in the recovery of damages because of any such breach, violation or non-performance by the other party hereto.

(22) All notices provided for in this agreement shall be in writing and shall be given by delivering the same to the Licensor or to an officer of the Licensor, or to the Licensee, as the case may be, or by depositing such notices, postage prepaid, in any Postoffice of the United States, in a sealed envelope directed to the Licensor or the Licensee, as the case may be, at its or his last known Post-office address, to be forwarded by registered mail.

(23) It is mutually covenanted and agreed by and between the Licensor and Licensee that after notice of the termination of this agreement and the license granted thereby by either party, as provided for in Paragraphs 19 and 21 of this agreement, and after the same have been terminated, no matter what the cause or manner of termination may be, neither this license agreement, nor the fact that the Licensee has entered into or acted under it, shall be used in any manner, directly or indirectly, by or for the Licensor, its successors, assigns or legal representatives, or by or for others with its or their consent or permission, against the Licensee, or the Licensee's successors or legal representatives, in any litigation, controversy or proceeding involving the Licensee or them or any other persons, firms or corporations, or in any other way, it being understood and agreed that upon such termination the positions and rights of the Licensor and Licensee shall be the same as if this

agreement had not been made; *provided, however*, that the rights of neither party shall be prejudiced by such termination in the recovery of damages for any breach or other violation of this agreement by the other occurring prior to such termination.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENTS COMPANY,

By

(Corporate Seal)

(Signed) Frank L. Dyer,

Attest:

President.

George F. Scull,
Secretary.

In the presence of:

(Signed) Geo. Kleine.

George F. Scull,
H. N. Marvin.

28.

(a) THIS AGREEMENT, made this 18th day of December, 1908, by and between MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Jersey City, in said State, party of the first part, (hereinafter referred to as the LICENSOR); the EDISON MANUFACTURING COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Orange, in said State, party of the second part, (hereinafter referred to as the EDISON COMPANY), and PATHE FRERES, a corporation organized and existing under the laws of the State of New Jersey and having an office at Jersey City, in said State, party of the third part, (hereinafter referred to as the LICENSEE), WITNESSETH:—

(b) WHEREAS, the Licensor represents that it is organized to own, deal in and grant licenses under letters patent pertaining to the motion picture art, and that it is the owner of all the right, title and interest in and to United States letters patent:

No. 578,185, dated March 2, 1897, for Vitascope, granted to Thomas Armat;

No. 580,749, dated April 13, 1897, for Vitascope, granted to Thomas Armat;

No. 586,953, dated July 20, 1897, for Phantascope, granted to Charles F. Jenkins and Thomas Armat;

No. 588,916, dated August 24, 1897, for Kinetoscope, granted to Charles M. Campbell as the assignee of Willard G. Steward and Ellis F. Frost;

No. 629,063, dated July 18, 1899, for Kinetoscopic Camera, granted to American Mutoscope Company as the assignee of Herman Casler;

No. 673,329, dated April 30, 1901, for Kinetoscope, granted to The American Vitagraph Company as the assignee of Albert E. Smith;

No. 673,992, dated May 14, 1901, for Vitascope, granted to Thomas Armat;

No. 707,934, dated August 26, 1902, for Projecting Kinetoscope, granted E. & H. T. Anthony as assignees of Woodville Latham;

No. 722,382, dated March 10, 1903, for Animated Picture

Apparatus, granted to American Mutoscope & Biograph Company as the assignee of John A. Pross;

No. 744,251, dated November 17, 1903, for Kinetoscope, granted Albert E. Smith;

No. 770,937, dated September 27, 1904, for Kinetoscope, granted The Vitagraph Company of America as the assignee of Albert E. Smith;

No. 771,280, dated October 4, 1904, for Winding-Reel, granted Albert E. Smith;

No. 785,205, dated March 21, 1905, for Flame-Shield for Kinetoscopes, granted The Vitagraph Company of America as the assignee of William Ellwood; and

No. 785,237, dated March 21, 1905, for Film-Holder for Kinetoscopes, granted The Vitagraph Company of America as the assignee of Albert E. Smith;

all of which said letters patent relate to improvements in the motion picture art, and that there are no outstanding licenses, shop rights, or other rights under said letters patent, or either of them, except a license for Parlor Kinetoscopes granted The Karmata Company, of Washington, D. C., under letters patent Nos. 578,185, 580,749, 586,953 and 673,992, and certain alleged licenses under U. S. letters patent No. 586,953, which are in dispute, claimed to be owned by the Edison Company and the American Graphophone Company, of Washington, D. C., and S. Lubin, of Philadelphia, Pennsylvania; and excepting a license granted by the American Mutoscope & Biograph Company to the firm of Marvin and Casler to manufacture and sell cameras and exhibiting or projecting machines under letters patent owned by it (some of which are hereinbefore referred to) for use in foreign countries only, and excepting certain licenses granted by the Armat Motion Picture Company to the American Mutoscope & Biograph Company under letters patent Nos. 578,185, 580,749, 586,953, 588,916 and 673,992, and by the latter Company to the former Company under patents Nos. 707,934 and 722,382, which licenses are, however, by agreement between said parties, suspended and are not to be acted upon until the Licensor becomes bankrupt, ceases doing business or shall be dissolved voluntarily or otherwise, or its Charter shall be repealed; and

(c) WHEREAS, the Licensor is the owner of all the right, title and interest in and to reissued letters patent of the United States numbered 12,037, dated September 30, 1902, and 12,192, dated January 12, 1904, the original letters patent whereof are numbered 589,168 and dated August 31, 1897, and that there are no outstanding licenses, shop rights or other rights under said reissued letters patent, or either of them, except license agreements thereunder between the Edison Company and the Licensee, dated May 20, 1908, (to go into effect June 20, 1908), and between the Edison Company and the Kalem Company, of New York; the Essanay Company, of Chicago; Siegmund Lubin, of Philadelphia; George Melies Company, of Chicago, Illinois; the Selig Polyscope Company, of said Chicago, and The Vitagraph Company of America, of New York, all dated January 31, 1908; and

(d) WHEREAS, the Edison Company, the Licensee and the other licensees before mentioned under the said reissued letters patent numbered 12,037 and 12,192, are desirous of suspending the operation of the said license agreements during the continuation of this agreement; and

(e) WHEREAS, the Licensee is engaged in the manufacture and sale of motion pictures, including the printing of positive motion pictures from negative motion pictures of its own production or from negative motion pictures purchased or procured by it from the Compagnie Generale de Phonographes, Cinematographes et Appareils de Precision, of Paris, France, (successor of Pathe Freres of the same place and hereinafter referred to as "said Compagnie Generale") and the sale of positive motion pictures purchased or procured from "said Compagnie Generale" and imported by the Licensee, and, relying upon the aforesaid representations of the Licensor, and induced thereby, desires to obtain from the Licensor a license under said two reissued letters patent numbered 12,037 and 12,192, and letters patent Nos. 629,063 and 707,934, and to lease positive motion pictures for use in exhibiting or projecting machines containing the inventions, or any of them, described and claimed in said letters patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and to sell positive motion pictures on film of a width approximately one (1) inch or less in certain territory and on film of any width in certain territory:

(f) NOW, THEREFORE, the parties hereto, for and in consideration of the sum of One Dollar to each in hand paid by the other, and for other good and valuable considerations from each to the other moving, receipt of all of which is hereby acknowledged, have agreed as follows:

1. The Licensor hereby grants to the Licensee for the term and subject to the covenants, conditions and stipulations hereinafter expressed, the right and license under said reissued letters patent No. 12,037 and letters patent Nos. 629,063 and 707,934, for the United States, its territories, dependencies and possessions (hereinafter called the "territory aforesaid") to manufacture and use such a number of cameras embodying the inventions of said reissued letters patent No. 12,037 and letters patent Nos. 629,063 and 707,934, as may be necessary for the proper conduct of its business, and to manufacture, print, and produce positive motion pictures embodying the inventions of said reissued letters patent No. 12,192, and to lease the same in the United States, its territories, dependencies and possessions (with the exception of its insular possessions and Alaska) hereinafter referred to as the "lease territory aforesaid," on film of a greater width than approximately one (1) inch, upon condition that they be used solely in exhibiting or projecting machines containing the inventions or some of them of said letters patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and licensed by the Licensor, and to sell positive motion pictures embodying the inventions of said reissued letters patent No. 12,192, on film of a width approximately one (1) inch or less in the "lease territory aforesaid" and on film of any width in or for said insular possessions and Alaska and foreign countries, hereinafter referred to as "said export territory" or "for export."

The license hereby granted is personal to the Licensee and does not include the right to dispose of, in the "territory aforesaid," any cameras embodying any invention covered by said reissued letters patent No. 12,037 and letters patent Nos. 629,063 and 707,934; and, in the event of the permanent discontinuance or retirement from business of the Licensee for a period of six consecutive months, the license hereby granted shall be immediately terminated.

2. The Licensor, for itself, its successors, assigns and legal representatives, hereby releases, acquits and discharges the Licensee

and its predecessors, including "said Compagnie Generale" and the agents thereof, from any and all claims, demands and liability for profits and damages, because of any infringement by it or them, or any of them, of any or all of the aforesaid United States letters patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and reissued letters patent Nos. 12,037 and 12,192, or use by it of the inventions, or any of them, covered by said letters patent or either of them prior to the date hereof.

3. The Licensee hereby recognizes and admits the validity of said reissued letters patent No. 12,037, so far as the first three claims thereof are concerned, and the validity of said reissued letters patent No. 12,192, and letters patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and agrees that it will not contest or question the same during the continuance of this agreement.

4. The Licensee covenants and agrees that in the manufacture of motion pictures, both negative and positive in the "territory aforesaid," during the continuance of this agreement, it will use exclusively sensitized film manufactured and sold in the United States by a manufacturer or manufacturers who by an agreement with the Licensor, as hereinafter provided, will collect and pay to the Licensor royalties on such sensitized film, and hereinafter called "Licensed Film," and that it will not, in the "territory aforesaid," purchase or otherwise acquire or lease or sell or otherwise dispose of, or deal in, motion pictures produced on or by the use of any other film than such "Licensed Film," nor sell or otherwise dispose of any negative motion pictures: it being mutually covenanted and agreed, however, between the Licensor and the Licensee, that the Licensee shall nevertheless have the right to obtain from the "said Compagnie Generale," (with which it has business relations) and import into the "territory aforesaid," such negative motion pictures (with a single corresponding positive motion picture or print of each) and such colored positive motion pictures (when two or more colors are used thereon), produced by "said Compagnie Generale" as the Licensee may desire, and also such positive motion pictures, produced by "said Compagnie Generale" from negative motion pictures made prior to June 20, 1908, and for which the Licensee has no negative in the United States, and

all such positive motion pictures produced by "said Compagnie Generale" from any negative motion picture made by it after June 20, 1908, of which "said Compagnie Generale" has no duplicate, (because for commercial or other reason it has been impracticable or too difficult for it to make a duplicate negative) as the Licensee may need to fill orders therefor, but not otherwise, and to lease all such positive motion pictures on film of a greater width than approximately one (1) inch in the "lease territory aforesaid," and to sell all such positive motion pictures on film of any width only in "said export territory" or "for export" and to use said negative motion pictures so obtained and imported, in the manufacture of positive motion pictures from such "Licensed Film," on film of a greater width than approximately one (1) inch for lease in the "lease territory aforesaid," and on film of any width for sale in "said export territory," or "for export," without the payment therefor, directly or indirectly, of any royalty or other consideration to the Licensor.

The Licensor and Licensee further mutually covenant and agree that in case of the complete or partial destruction by fire of the building in the United States in which the Licensee prints or produces its positive motion pictures, or in case the apparatus used in printing or producing such motion pictures is wholly or partially rendered useless through no fault of its own, and such licensee is therefore unable from either cause to fill its orders for such positive motion pictures; it shall have the right to obtain from "said Compagnie Generale" and import into the "territory aforesaid" and lease in the "lease territory aforesaid," and sell in said "export territory" or "for export," without the payment therefor, directly or indirectly, of any royalty or other consideration to the Licensor, all such positive motion pictures produced by "said Compagnie Generale" as the Licensee may need to fill its orders therefor, until it has repaired or rebuilt such buildings and repaired or replaced such apparatus, which it agrees to do with all reasonable despatch.

The Licensor further covenants and agrees that it will, in an agreement in writing with each manufacturer of "Licensed Film," obligate such manufacturer, so long as the latter has the exclusive right to make and sell such "Licensed Film," not to knowingly furnish or sell, in the "territory aforesaid," except "for export," sensitized film for the commercial production of negative and positive

motion pictures to any one but the Licensee, and the additional licensees hereinafter provided for, except to the extent of two and one-half ($2\frac{1}{2}$) per cent. of the total amount of such "Licensed Film" of a width approximately one and three-eighths ($1\frac{3}{8}$ in.) inch or thirty-five (35) millimeters, or wider or narrower, supplied by such manufacturer to the parties to the license agreements referred to in Paragraph (c) during the year preceding June 20, 1909, and to the Licensee and the additional licensees hereinafter provided for during any one year thereafter during the continuance of such agreements, which amount such manufacturer shall have the right to furnish or sell, in the "territory aforesaid," to persons not engaged in the business of manufacturing, leasing, selling, loaning, renting out, or otherwise disposing of or dealing in motion pictures in the "territory aforesaid"; and with the further exception that such manufacturer may also reserve the right to manufacture and sell sensitized film suitable for the commercial production of negative and positive motion pictures, of a width not to exceed approximately one (1) inch in the "territory aforesaid," to persons, firms and corporations engaged in the business of manufacturing, leasing, selling, loaning, renting out or otherwise disposing of or dealing in motion pictures in the "territory aforesaid," but upon the condition that in case any of them produces thereon any picture greater in size than approximately three-quarters ($\frac{3}{4}$) of an inch on a line either parallel to or at right angles to the edge of such film, and such manufacturer has knowledge thereof, such manufacturer will cease supplying such film to any person, firm or corporation so doing; and with the further exception that such manufacturer may also reserve the right to manufacture and sell in the "territory aforesaid" such sensitized film suitable for the commercial production of negative and positive motion pictures of any width, to persons, firms and corporations now having an established business of manufacturing motion pictures in any country foreign to the United States, who now manufacture negative and positive motion pictures in the United States, or who may after the date of this agreement commence the manufacture of negative or positive motion pictures in the United States.

The Licensor further covenants and agrees that the royalties which it will charge to and receive from the Licensee for "Licensed Film" (and which are to be included by the manufacturer or manufacturers in the prices charged for "Licensed Film" to the Licensee

and paid over to the Licensor) shall not, for "Licensed Film" of a width approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) or thirty-five (35) millimeters, purchased by the Licensee during the year preceding June 20, 1909, and during any year thereafter during the continuance of this agreement, as hereinafter provided, exceed the following rates, that is to say:

If the shipments of such "Licensed Film" to the Licensee, on its orders, for any such year, be four million running feet or less, a royalty of one-half ($\frac{1}{2}$) cent per running foot on the total number of running feet for that year; if such shipments, on its orders, of such "Licensed Film," for any such year, exceed four million running feet but do not exceed six million running feet, a royalty of four and one-half ($4\frac{1}{2}$) mills per running foot on the total number of running feet for that year; if such shipments, on its orders, of such "Licensed Film," for any such year, exceed six million running feet but do not exceed eight million running feet, a royalty of four (4) mills per running foot on the total number of running feet for that year; if such shipments, on its orders, of such "Licensed Film," for any such year, exceed eight million running feet but do not exceed ten million running feet, a royalty of three and three-quarter ($3\frac{3}{4}$) mills per running foot on the total number of running feet for that year; and if such shipments, on its orders, of such "Licensed Film," for any such year, exceed ten million running feet, a royalty of three and one-quarter ($3\frac{1}{4}$) mills per running foot on the total number of running feet for that year. And for "Licensed Film" narrower or wider than approximately one and three-eighths ($1\frac{3}{8}$ in.) inch, or thirty-five (35) millimeters, the above-mentioned royalties shall be reduced or increased in proportion to the reduction or increase in width of such narrower or wider "Licensed Film" below or above the width of such "Licensed Film" of approximately one and three-eighths ($1\frac{3}{8}$ in.) inch or thirty-five (35) millimeters.

The Licensor and Licensee further mutually covenant and agree that the manufacturer of such "Licensed Film" shall in the first instance, that is to say, when such film is billed and shipped by it, charge the Licensee with its price per running foot plus the maximum royalty aforesaid, and on the expiration of each year, counting from June 20th, 1909, shall adjust the royalty account of the Licensee as to the "Licensed Film" so billed and shipped to it and paid for by it, according to the royalty schedule aforesaid, returning to the Licensee any amount it shall have overpaid, accord-

ing to said schedule, and paying the balance to the Licensor: That the royalties heretofore paid and which may hereafter be paid to the manufacturer of such "Licensed Film" up to June 20, 1909, under the aforesaid license agreement between the Licensee and the Edison Company and under this agreement, shall be adjusted in the same manner, returning to the Licensee the amount it shall have overpaid according to said schedule.

The Licensor further agrees that the dealings between the Licensee and the authorized manufacturer or manufacturers from whom the Licensee purchases such "Licensed Film" shall, insofar as the number of running feet ordered by or shipped to the Licensee or anything that would indicate or disclose the number of such feet is concerned, be a matter of confidence between the Licensee and such manufacturer or manufacturers, who shall not be at liberty to disclose, and moreover shall be bound in writing not to disclose, directly or indirectly, to the Licensor or any of the additional licensees hereinafter provided for, the number of such feet of "Licensed Film" so ordered by or shipped to the Licensee; the Licensor further agreeing to so arrange or provide for the reports and royalty payments to be made to it by such manufacturer or manufacturers that the latter shall make such reports and royalty payments in gross, as to all of the licensees to whom shipments of such "Licensed Films" are made, and without specifying the number of running feet of "Licensed Film" so shipped to any of them, either by a statement in writing of the number of such feet or the amount of royalties paid or to be paid by such manufacturer or manufacturers for or on account thereof.

The Licensor represents that it has made an agreement in writing with the Eastman Kodak Company, of Rochester, New York, to take effect , 190 , under which the latter has the exclusive right to make and sell such "Licensed Film," from whom the Licensee may purchase the same, and it covenants and agrees that if said Eastman Kodak Company should for any reason cease to have the exclusive right to make and sell such "Licensed Film," such Licensee shall nevertheless have the privilege of continuing to purchase such "Licensed Film" from said Eastman Kodak Company, or, as it may elect, of purchasing the same from another manufacturer to be selected and designated by the Licensee, subject, however, to the making of reports and payments of royalties as

aforesaid by said Eastman Kodak Company or such other manufacturer to the Licensor.

The Licensor and Licensee further mutually covenant and agree that no royalty other than or in addition to that provided for in this paragraph of this agreement shall be charged to or collected from the Licensee by the Licensor up to June 20, 1910, or during any renewal of this agreement up to August 31, 1914, the date of the expiration of said reissued letters patent Nos. 12,037 and 12,192, and no royalty whatever shall be charged to or collected from the Licensee by the Licensor after either the first, second and third claims of said reissued letters patent No. 12,037, and either of the claims of said reissued letters patent No. 12,192, in any suit as hereinafter provided for, for infringement thereof, are held invalid by a court that last hears and decides such suit, or after August 31, 1914, during any renewal of this agreement; and that the Licensor shall charge royalties or rents for the use of all exhibiting or projecting machines capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, containing the inventions, or any of them, described and claimed in the aforesaid letters patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, licensed by the Licensor, and that all such royalties or rents shall be collected by the Licensor, directly or indirectly, from the exhibitors using such machines, and shall be fixed by the Licensor and charged to and collected from such exhibitors by the Licensor at such a rate as to average as nearly as possible a royalty or rental of Two (2) Dollars per week for each such licensed machine in use.

5. The Licensee further covenants and agrees not to sell or otherwise dispose of or offer for sale, in the "territory aforesaid," unexposed positive or negative "Licensed Film" during the continuance of this agreement; but this provision shall not prevent it from selling, as refuse, in the "territory aforesaid," second hand positive or negative motion pictures or motion pictures which have been used or become shop-worn or in any way damaged, to a manufacturer or manufacturers of "Licensed Film" or to a manufacturer to manufacture other articles than film therefrom, but only after they have been rendered by the Licensee unsuitable for use as motion pictures by cutting or otherwise defacing them, or from selling exposed positive or negative film (either waste or in rolls) known

as "Blank film" for use by dealers, renters or exhibitors for leaders or for spacing or for similar purposes, but which shall not and cannot be otherwise employed for the exhibition of motion pictures.

6. The Licensee further covenants and agrees not to lease, loan, rent out, sell or offer for sale, or otherwise dispose of, in the "territory aforesaid," motion pictures to anyone purchasing or otherwise obtaining, leasing, using, loaning, renting out, selling, offering for sale, or otherwise disposing of or dealing in, motion pictures containing the invention of said reissued letters patent No. 12,192, not the output of the Licensee or of the additional licensees hereinafter provided for.

7. The Licensee further covenants and agrees to mark each and every camera which it may make or use under this agreement embodying the inventions of reissued letters patent No. 12,037, letters patent Nos. 629,063 and 707,934, or either of them, with the word, "PATENTED," followed by the dates of grant of all of the said letters patent, the inventions claimed in which are embodied in the said camera or apparatus, and to photographically print its trade mark in each picture of at least one scene of each subject of positive motion pictures on film of a greater width than approximately one (1) inch, manufactured by the Licensee and leased by it in the "lease territory aforesaid," and to mark conspicuously on the labels which shall be placed on boxes or packages containing positive motion pictures on film of a greater width than approximately one (1) inch, manufactured by the Licensee in the "territory aforesaid," or imported as aforesaid into the "territory aforesaid," by the Licensee, with the following words and figures:—

LICENSED MOTION PICTURE

Manufactured and Leased by and Property of

PATHE FRERES

New York, N. Y., U. S. A.

(Patented in the United States August 31, 1897;
reissued January 12, 1904.)

The enclosed motion picture is leased only and upon the following terms and conditions:—

1. That the lessee shall not sell or otherwise dispose of

the same outright, but shall have only the right to sub-let or use such motion picture.

2. That the lessee shall permit such motion pictures to be exhibited only on motion picture projecting machines licensed by the Motion Picture Patents Company of New Jersey under its patents covering such projecting machines.

3. That the lessee shall not sub-let such motion picture or any other motion picture containing the invention of the above reissued patent for use in any motion picture exhibitions at a lower sub-rental price, directly or indirectly, than that agreed upon (if any) in the contract of lease between the lessee and the lessor of this picture.

4. That the lessee or user thereof shall not make or permit others to make any reproduction, commonly known as a "dupe," of such motion picture or any other motion picture containing the inventions of the above reissued patent.

5. That the lessee or user thereof shall not remove the trade mark or trade name or title therefrom.

6. That the violation of any of the foregoing conditions entitles the lessor to immediate possession of this motion picture without liability for any price which the lessee or the person in whose possession it is found, may have paid therefor.

The Licensor further covenants and agrees to use all possible diligence in licensing exhibiting or projecting machines now in use in the "lease territory aforesaid" embodying any or all of the inventions described and claimed in the said letters patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and that royalties or rents from the users of such exhibiting or projecting machines will not be exacted, directly or indirectly, until February 1, 1909.

8. The Licensee further covenants and agrees not to use, in the production of negative or positive motion pictures under this agreement, the negative or positive motion pictures, (or reproductions commonly known as "duplicates" of the negative or positive motion pictures) of any other manufacturer or person, firm or corporation located either in the "territory aforesaid" or in any foreign country, whether the same have or have not been copyrighted in the "territory aforesaid," or in any foreign country, (except that the Licensee shall

have permission to do so to the extent provided for in Paragraph 4 of this agreement).

9. The Licensor has established the following scale of minimum prices (which the Licensee admits is a fair and reasonable one) for the lease of positive motion pictures on film of a greater width than approximately one (1) inch in the "lease territory aforesaid," embodying the invention of said reissued letters patent No. 12,192:—

List.....	13 cents per running foot;
Standing order	11 " " " "
Films leased between two and four months after release date.....	9 " " " "
Films leased between four and six months after release date.....	7 " " " "
Films leased over six months after release date	5 " " " "

The Licensor and Licensee further mutually covenant and agree that the above scale of minimum prices is to remain in force until a new scale of prices is adopted, each new scale to be adopted, during the continuance of this agreement, by a majority vote (to be forthwith communicated to the Licensor) of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects on film of a greater width than approximately one (1) inch offered for lease or sale in the "territory aforesaid" by each licensee during the year preceding the taking of such vote; and they further covenant and agree that any changes which may hereafter be so made and communicated to the Licensor in said scale of prices, and of which the Licensee shall be notified in writing by the Licensor, shall be accepted and adopted by the Licensee in the place and stead of the scale of prices above given or of any substitute or substitutes therefor adopted prior to such change. It is, however, expressly mutually covenanted and agreed that in no case shall such new scale of prices, either list or standing order, be less than nine (9) cents per running foot for any motion picture leased within four months of the date of release of the said motion picture.

By the expression, "running feet of new subjects," above referred to, and hereafter used, the parties hereto mean the aggre-

gate amount ascertained by adding together the individual number of running feet of one print of each and every new motion picture on film of a greater width than approximately one (1) inch, regularly listed and offered for lease in the "lease territory aforesaid."

The Licensor and Licensee further mutually covenant and agree that in case, during the continuance of this agreement, there should be for any reason only three such licensees, then, and in such case, the Licensor may adopt a minimum scale of prices in the place and stead of the minimum scale of prices above given or of any substitute or substitutes therefor adopted in the manner above provided, which, however, shall in no case be above the minimum scale of prices that may be in force at the time the Licensor adopts the said new minimum scale of prices, which said new minimum scale of prices shall be binding upon the Licensee, but only after receiving notice thereof in writing from the Licensor.

10. The Licensor and Licensee further mutually covenant and agree that an order in the "lease territory aforesaid," for one or more positive motion pictures of each and every new subject made by the Licensee, (except chrono-photographic subjects and other special subjects that are announced and advertised as special by the Licensee and of which no copy or print is leased by the Licensee for less than list price within two (2) months after release date) when offered for lease in the regular order of business shall constitute a "standing order" within the meaning of the scale of prices aforesaid or any substitute therefor hereafter adopted, said standing order to remain in force for not less than fourteen (14) consecutive days; and the parties hereto further mutually covenant and agree that the minimum price at which any additional positive motion pictures shall be leased, in the "lease territory aforesaid," subsequent to the filling of a standing order, shall be the same per running foot as the pictures furnished on such standing order, unless otherwise provided for in the scale of prices aforesaid or any substitute therefor hereafter adopted. All positive motion pictures which may be hereafter leased in the "lease territory aforesaid," to persons not having a standing order, as above defined, shall in every case be leased at not less than the "list" price mentioned in said scale of prices or any substitute therefor hereafter adopted, except it be otherwise provided by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or

such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid" by each licensee during the year preceding the taking of such vote, and except as provided for in Paragraph 12 as to "special motion pictures."

11. The Licensor and Licensee further mutually covenant and agree that positive motion pictures made by or for the Licensee and unsold prior to the date hereof, shall be subject to the scale of prices aforesaid and shall be leased in the "lease territory aforesaid" at not less than the prices fixed in said scale for positive motion pictures as provided for in Paragraphs 9 and 10.

12. The Licensor and Licensee further mutually covenant and agree that in the case of so-called "special motion pictures"—where it is agreed, by the Licensee, that the negative shall be the exclusive property of the person ordering the same, although remaining in the care and custody of the Licensee, and where positive prints therefrom shall be made from time to time on the order of such person—the price to be paid for the making of such negative in the "territory aforesaid" shall not be less than one (1) dollar per running foot, and that the price at which positive prints therefrom shall be leased in the "lease territory aforesaid" shall not be less than fifteen (15) cents per running foot.

13. The Licensee further covenants and agrees not to lease motion pictures, in the "lease territory aforesaid," under any circumstances, either directly or indirectly, during the continuance of this agreement, at lower prices than those fixed and established as provided for in Paragraphs 9, 10, 11 and 12.

14. It is further mutually covenanted and agreed by the Licensor and Licensee that the Licensee shall have the right to sell motion pictures in or for "said export territory" and that the prices above referred to in Paragraphs 9, 10, 11 and 12, or any substitute or substitutes for the same hereafter adopted, shall not apply to sales or shipments of motion pictures made *bona fide* "for export," when the goods, addressed to the purchaser, agent or consignee, are delivered to the vessel or to a transportation company for transportation to "said export territory," and not otherwise.

The Licensor and Licensee further mutually covenant and agree that in no case shall sales "for export" of motion pictures be

knowingly made by the Licensee to persons, firms or corporations who such Licensee has reason to believe will reimport them into the "lease territory aforesaid" for sale or use.

15. The Licensor and Licensee further mutually covenant and agree that, except as provided for in Paragraph 5, the Licensee will not sell or lease, or offer for sale or lease, in the "territory aforesaid," at reduced prices, second-hand motion pictures or motion pictures which have been used or which have become shop-worn or in any way damaged.

16. The Licensor and Licensee further mutually covenant and agree that in the "lease territory aforesaid" all leases of positive motion pictures shall be at the prices hereinbefore provided for, without the allowance of any discounts or rebates or other reduction by which a lessee might acquire positive motion pictures at lower prices than those set forth in Paragraphs 9, 10, 11 and 12, or any substitutes therefor hereafter adopted, (except such as may be adopted by the unanimous vote of all the licensees), and that the Licensee will not dispose of such positive motion pictures as premiums, or by lottery, or raffle, or any game of chance, or in any way whereby they may be acquired directly or indirectly for less than the prices set forth in Paragraphs 9, 10, 11 and 12, or substitutes therefor.

The Licensee further covenants and agrees that, in the "lease territory aforesaid" it will not sell or offer for sale other goods or merchandise at less than current prices in order to induce the lease of positive motion pictures, nor present or donate other goods or merchandise or prizes, or make use of credit cards or trading stamps, or offer any premium of any kind whatsoever, to induce the lease of such positive motion pictures.

17. It is further mutually covenanted and agreed by and between the Licensor and Licensee that no lease of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be made in the "lease territory aforesaid" by the Licensee, except upon and subject to the following terms and conditions, the substance of which (with the exception of the condition as to the return of positive motion pictures hereinafter referred to) shall be expressed in a printed notice on the labels, as provided for in Paragraph 7, accompanying each positive motion picture, namely: (1) that the lessee of such positive motion picture shall not sell or other-

wise dispose of the same outright, but shall only have the right to use such positive motion picture in giving motion picture exhibitions in machines licensed by the Licensor under the said letters patent Nos. 578,185, 580,749., 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, or one or more of them, or under any other letters patent that it may hereafter acquire or control, or to sub-let such motion picture for use in such machines, and that (2) the lessee shall not make or permit others to make any reproduction commonly known as a "dupe" of such positive motion picture or any other positive motion picture containing the invention of said reissued letters patent No. 12,192, or (3) sub-lease the same or any other positive motion picture on film of a greater width than approximately one (1) inch containing the invention of said reissued letters patent No. 12,192, for use in giving moving picture exhibitions, at a lower lease price directly or indirectly than that prescribed by the Licensee, at the time of the lease of such motion picture; and (4) that the lessee of such positive motion picture shall not remove the trade mark or trade name or title therefrom, and (5) that the lessee shall return to the Licensee from whom such positive motion picture has been leased (without any payment therefor except the transportation charges incident to the return of the same) on the first day of every month, beginning with February 1st, 1909, an amount of positive motion pictures, (on film of a greater width than approximately one (1) inch) in running feet (not leased by the Licensee over six months before) and of the make of the Licensee, to whom it is returned, equal to the amount that was so leased during the sixth month preceding the date of each such return; with the exception, however, that where any such positive motion pictures are destroyed by fire or lost in transportation, and proof satisfactory to the Licensee is furnished as to such destruction or loss, the amount so destroyed or lost shall be deducted from the amount to be returned, as aforesaid.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that the sub-leasing price aforesaid for sub-leasing of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be fixed, (and which may be changed in the same manner during the continuance of this agreement, as may also the 5th condition before recited in this paragraph), by a majority vote of the Licensee and the several

additional licensees hereinafter provided for, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid" by each licensee during the year preceding the taking of such vote.

The Licensee further covenants and agrees that in the "lease territory aforesaid" it will not discriminate in favor of any lessee, or place upon any motion pictures any restrictions, other than those specified in this paragraph and Paragraph 7 hereof, unless authorized by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees.

18. The Licensee covenants and agrees that in the "lease territory aforesaid" it will dispose of the positive motion pictures, on film of a greater width than approximately one (1) inch, manufactured, produced or imported by it, only by the sale "for export" and shipment thereof into "said export territory," or by the lease thereof to others for the purpose only of either sub-leasing the same to persons, firms or corporations using such motion pictures for giving exhibitions thereof in exhibiting or projecting machines licensed by the Licensor containing the inventions, or some of them, described and claimed in said letters patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, or in letters patent hereafter acquired or controlled by the Licensor, or of using the same in such machines so licensed; and will not use the same for the purpose of giving exhibitions thereof for profit, directly or indirectly; it being expressly understood and agreed by and between the Licensor and Licensee, however, that the Licensee shall be at liberty to give exhibitions of such positive motion pictures without profit, directly or indirectly, and to possible or prospective lessees or purchasers thereof; and the Licensee further covenants and agrees not to knowingly allow positive motion pictures, on film of a greater width than approximately one (1) inch, manufactured or imported by it under this agreement, to be leased for use with any exhibiting or projecting machine not licensed by the Licensor under the Letters Patent mentioned in this paragraph, and any that it may hereafter acquire or control, or one or more of them, except by and with the consent of the Licensor; and also to refrain from supplying

such motion pictures manufactured or imported under this agreement, for use with any exhibiting or projecting machine, the license for which, under the aforesaid letters patent, or one or more of them, has been terminated, and the Licensee has been notified thereof by the Licensor; and also to refrain from supplying such motion pictures manufactured and imported under this agreement to any lessee who may sub-let such motion pictures to persons, firms or corporations using the same for giving exhibitions thereof in exhibiting or projecting machines not licensed by the Licensor as aforesaid, or the license for which has been terminated and the Licensee has been notified by the Licensor that any such lessee continues to so sub-let such motion pictures after being notified by the Licensor not to do so; and the Licensor covenants and agrees to promptly notify any such lessee who may so sub-let such motion pictures, after it has knowledge of any such sub-letting, and to notify the Licensee and the additional licensees hereafter provided for, or such of them as may at the time be licensees, of the termination of any license for the use of any exhibiting or projecting machines under the aforesaid letters patent, or any of them, and of any such lessee who may so sub-let such motion pictures, after being notified by it not to do so, and to compel all such additional licensees to refrain from supplying motion pictures for use with any such exhibiting or projecting machine, the license for which has been so terminated, or to any such lessee.

19. The Licensor and Licensee further mutually covenant and agree that the Licensor shall and will, during the continuance of this agreement, promptly institute suits against any and all infringers of the letters patent, or any of them, mentioned in this agreement, on the request of a majority of the licensees, including the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, and will thereafter diligently prosecute any such suit or suits to final hearing and decision; all expense connected with the institution and prosecution of such suit or suits to be borne by the Licensor, who shall also be entitled to receive and apply to its own use all recoveries had therein for damages and profits.

The Licensor and Licensee further mutually covenant and agree that if in case any such suit is brought upon said reissued letters patent Nos. 12,037, 12,192, or said letters patent Nos. 586,953 or 722,382, either of the claims of said reissued letters patent No. 12,192, or

either of the first, second and third claims of said reissued letters patent No. 12,037, or any of the claims in issue in any such suit upon said letters patent Nos. 586,953, or 722,382, is or are held invalid by a court that last hears and decides such suit, or should be held by such court not to be infringed, then, and in any such case, the Licensee may at once terminate this agreement and the license thereby granted, by giving notice of its election so to do to the Licensor.

The Licensor and Licensee further mutually covenant and agree that the Licensor may, at its own expense, (except as hereinafter provided) during the continuance of this agreement, institute and prosecute suits against any of the several additional licensees hereinafter provided for, for any breach or violation on the part of any such licensee of the covenants respecting prices at which positive motion pictures shall be leased in the "lease territory aforesaid" and also for violation of any of the other terms, conditions or stipulations entered into by such licensee; that the Licensor shall at the end of each year, counting from the 18th day of December, 1908, render to the Licensee and the other licensees hereinafter provided for, or such of them as may at the time be licensees, a statement in writing showing in detail all legal expenses incurred by it during such year in the prosecution of such suit or suits; and that, up to but not exceeding the sum of Twenty Thousand (20,000.) Dollars for any such year, all such legal expenses, insofar as they may be reasonable and proper, shall be borne and paid for by the Licensee and the several additional licensees hereinafter provided for, *pro rata* according to the number of thousand running feet of new subjects offered for lease by each, relatively to the total number of thousand running feet of new subjects on film of a greater width than approximately one (1) inch offered for lease or sale by all in the "territory aforesaid" during the year preceding the rendition of such statement, any legal expenses in excess of said Twenty Thousand (20,000.) Dollars during any such year to be borne and paid by the Licensor unless the Licensor and the Licensee and the several additional licensees hereinafter provided for should hereafter mutually agree otherwise.

20. It is mutually covenanted and agreed by and between the Licensor and Licensee that the Licensor may grant other licenses under said reissued letters patent Nos. 12,037 and 12,192, and said letters patent Nos. 629,063 and 707,934, so far as the use of the inven-

tions thereof in cameras is concerned, said licenses to be in writing and not to exceed nine in number, six to be to the persons and corporations mentioned in Paragraph (c) as having license agreements with the Edison Company, one to the Edison Company, one to George Kleine, of Chicago, Illinois, and one to the American Mutoscope & Biograph Company, of the City of New York, (except by a majority vote of the Licensee and the nine other licensees or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid" by such licensees during the year preceding the taking of such vote), and not to be granted or continued upon terms, conditions or stipulations which are in any respect more favorable to the licensees named therein than those set forth in this agreement (except to the Edison Company, and it shall only be more favorable to it in the matter of the payment of royalties to the Licensor), and in the case of the license to George Kleine, it shall be so restricted as to prohibit said Kleine from manufacturing negative motion pictures in the "territory aforesaid" and from manufacturing from imported negative motion pictures, positive motion pictures, and importing positive motion pictures, in all more than three thousand (3,000) "running feet of new subjects" per week; provided, however, that if any of such additional nine licenses should be terminated, during the continuance of this agreement, then and in each such case, the Licensor may grant a license in writing to some other motion picture manufacturer, but not on terms, conditions or stipulations which are more favorable as to such new licensee than those set forth in this agreement.

It is further mutually covenanted and agreed by and between the Licensor and the Licensee that the Licensor will, during the continuance of this agreement, license such a number of persons, firms or corporations under said letters patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, to make and sell exhibiting or projecting machines containing the inventions described and claimed in the same, capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, and also such machines not capable of exhibiting or projecting motion pictures on film of a greater width than approximately one (1)

inch, as will be able to supply the demand for the same; and that it shall not, and it hereby covenants and agrees that it will not, during the continuance of this agreement, license any person, firm or corporation under said letters patent or any of them to make or sell any such exhibiting or projecting machine containing any of the inventions described and claimed in said letters patent, and capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, except upon the conditions and restrictions that the sale and purchase of such machine gives only the right to use it solely for exhibiting or projecting motion pictures containing the inventions of said reissued letters patent No. 12,192, leased by a licensee of the Licensor while it owns or controls the letters patent under which such machine is licensed, and upon other terms to be fixed by the Licensor while in use, and while the letters patent under which they are licensed are owned or controlled by the Licensor (which other terms shall only be the payment of a royalty or rental to the Licensor while in use, as hereinbefore provided for), and that there shall be attached to each such machine a plate, in a conspicuous place, which is not to be removed therefrom, showing plainly, not only the dates of the letters patent under which it is licensed, but also the aforesaid conditions or restrictions.

The Licensor further covenants and agrees that it will not charge any such person, firm or corporation manufacturing and selling any such machine capable of exhibiting or projecting motion pictures on a film of a width greater than approximately one (1) inch, more than Five (5) Dollars as a license fee for each such exhibiting or projecting machine sold by any such person, firm or corporation.

The Licensor further covenants and agrees that it will not license any person, firm or corporation to make or sell any exhibiting or projecting machine containing any of the inventions described and claimed in the aforesaid letters patent which is not capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, except upon the conditions and restrictions that such machine be used solely for exhibiting or projecting motion pictures on film not wider than approximately one (1) inch, in places where no admission fee is charged, and that there shall be attached to each such machine a

plate, in a conspicuous place, which is not to be removed therefrom, showing plainly, not only the dates of the letters patent under which it is licensed, but also the aforesaid conditions or restrictions, and that the Licensor will not charge to any person, firm or corporation making or selling any such machine a license fee of more than five (5) per cent. of the net retail selling price of each such machine.

The Licensor further covenants and agrees that it will grant a license to the Licensee, upon its request, to manufacture and sell exhibiting or projecting machines under the letters patent, and upon the condition as to the payment of the license fees or royalties, and the other conditions and restrictions, as provided for in this paragraph, and will also grant similar licenses, and upon the same conditions as to the payment of the license fees or royalties and the other conditions and restrictions, to such of the additional licensees hereinafter provided for who may request the same, except that the said American Mutoscope & Biograph Company is not to pay any such license fee or royalty, and will also grant a license to the Licensee and any such additional licensees who may request the same, to make and sell exhibiting or projecting machines under any other letters patent and containing the inventions described and claimed therein that the Licensor may hereafter acquire or control, upon the payment of additional license fees or royalties, to be fixed by the Licensor, and subject to similar conditions and restrictions and the placing upon the machines of plates containing such conditions and restrictions as are provided for in this paragraph respecting exhibiting or projecting machines made and sold under the letters patent now owned by the Licensor mentioned in this paragraph, the royalty or license fee, and all other conditions and restrictions of such last named licenses to be the same for the Licensee and such other licensees.

It is mutually covenanted and agreed, however, by and between the Licensor and Licensee, that the Licensor shall have the right to grant, and that it will grant, licenses to persons, firms and corporations upon their request (including the Licensee) to manufacture and sell exhibiting or projecting machines, containing the inventions described and claimed in the aforesaid letters patent now owned by the Licensor, capable of exhibiting or projecting, by reflected light, animated pictures on film of any width, but not

capable of exhibiting or projecting the same by transmitted light, upon the payment of a royalty or license fee not to exceed five (5) per cent. of the net retail selling price of each such machine, and upon the condition that they be used only in places where no admission fee is charged, which condition shall appear on a plate to be attached to each such machine and also that it will grant licenses to such persons, firms and corporations to manufacture and sell such exhibiting or projecting machines containing the inventions described and claimed in any letters patent that the Licensor may hereafter own or control, subject to similar conditions or restrictions and upon the payment of additional license fees or royalties to be fixed by the Licensor the royalty or license fee, and all the conditions and restrictions of all such licenses, to be the same for the Licensee and such other licensees.

20a. The Licensor further covenants and agrees that it will keep separate books of account showing all royalties or rents charged to or received, directly or indirectly, from all persons, firms or corporations for the use of any exhibiting or projecting machines containing any of the inventions described and claimed in said letters patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, or any other letters patent hereafter acquired or controlled by the Licensor, which books of account shall be open to the inspection of the Licensee or its duly appointed agent or agents at all reasonable times.

The Licensor further covenants and agrees to render a statement in writing to the Licensee within thirty days after June 20, 1909, and thereafter at the end of each year, counting from June 20, 1909, during the continuance of this agreement, showing correctly all royalties or rents collected by or paid to the Licensor, which statement shall be sworn to by an officer of the Licensor, if so requested by the Licensee, and to pay to the Licensee within thirty (30) days after June 20, 1909, and thereafter at the end of each year counting from June 20, 1909, during the continuance of this agreement, a share of twenty-four (24) per cent. of the gross royalties or rents collected by or paid to the Licensor up to June 20, 1909, and thereafter during each year, counting from June 20, 1909, as aforesaid, by persons, firms or corporations for the use of exhibiting or projecting machines containing the inventions, or

any of them, described and claimed in said letters patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and any other letters patent hereafter acquired or controlled by the Licensor; which share shall be such proportion of said twenty-four (24) per cent. of said gross royalties or rents as the number of thousand running feet of "Licensed Film," of a greater width than approximately one (1) inch, ordered by and shipped to the Licensee, during each of said periods, bears to the total number of thousand running feet of such "Licensed Film" ordered by and shipped to the Licensee and the additional licensees, during each of said periods, added to the total number of running feet of film of a greater width than approximately one (1) inch having positive motion pictures thereon, imported, during each of said periods, by one or more of such additional licensees, if any such be licensed to import the same, after deducting the amount of such "Licensed Film," of a greater width than approximately one (1) inch, ordered by and shipped to the Edison Company and the American Mutoscope & Biograph Company, during each of said periods, which two latter companies are not to share in or be paid any part of said twenty-four (24) per cent. of said gross royalties or rents.

The Licensor further covenants and agrees that the number of thousand running feet that may be imported by any such additional licensee shall be furnished by it to the manufacturer of such "Licensed Film" within fifteen (15) days after June 20, 1909, and thereafter at the end of every year, counting from June 20, of the previous year, during the continuance of this agreement, and said twenty-four (24) per cent. of said annual gross royalties or rents collected by or paid to the Licensor during each such year shall be paid in gross by it within fifteen (15) days after June 20, 1909, and thereafter at the end of each year, counting from June 20th, of the previous year, to the manufacturer of such "Licensed Film," to be apportioned by it as aforesaid through Price, Waterhouse & Company, chartered accountants, or through some other accountants that may be hereafter mutually agreed upon by and between the manufacturer, the Licensor and the Licensee and the additional licensees, and said manufacturer shall pay to the Licensee the share of said twenty-four (24) per cent. of said annual gross royalties or rents provided for in this paragraph, after receiving the same, without disclosing, directly or indirectly (and such manufacturer

shall be bound in writing not to disclose, directly or indirectly), to the Licensor, or to any of said additional licensees, the share apportioned or paid to the Licensee.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that in case the Licensor should be notified by the Licensee or it should otherwise come to its knowledge that any such additional licensee has knowingly or through gross neglect or carelessness broken, violated or failed to perform any of the terms, conditions or stipulations of the license granted by the Licensor, resulting in substantial injury to the Licensor or the Licensee or the additional licensees aforesaid, the Licensor will promptly notify such licensee in writing of such breach, violation or non-performance, and if such licensee should, for a period of forty (40) days after such notice persist in or fail to correct, repair or remedy the same, the Licensor shall at once terminate the license to such licensee; and that in case any such licensee should be guilty of a second grossly neglectful, careless or knowing breach, violation or non-performance of such terms, conditions or stipulations, resulting in substantial injury to the Licensor or the Licensee or the additional licensees aforesaid, then, and in such case, the Licensor shall terminate the license to such licensee by giving the latter thirty (30) days' notice in writing of its intention so to do.

20b. The Licensor and Licensee further mutually covenant and agree that by the expression "motion pictures" as used in the foregoing agreement, is meant transparent or translucent tape-like film having photographs thereon of objects in motion.

21. It is further mutually covenanted and agreed by and between the Licensor and the Licensee that unless sooner terminated, as hereinbefore or hereinafter provided, this agreement and the license granted thereby shall take effect January 1st, 1909, and shall continue until June 20th, 1910, but that the Licensee may renew this agreement and license thereafter from year to year upon the same terms, conditions and stipulations as herein provided, by giving notice to the Licensor on or before April 20th, of each year, beginning with the year 1910, of its election to so renew this agreement and license, and upon the giving of each such notice this agreement and the license thereby granted shall be considered and treated by the Licensor and Licensee as renewed for the period of one year beginning June 20th, of the year following such notice,

except that the last renewal period shall be for the period from June 20th, 1914, to August 26, 1919, the date of expiration of the letters patent No. 707,934.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that if, during said original term or during any such renewal period, either party should, knowingly or through gross neglect, or carelessness, be guilty of a breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, and should for the period of forty (40) days after notice thereof from the other party persist therein or fail to correct, repair or remedy the same, then and in such case the party aggrieved may terminate this agreement by giving notice in writing of its intention so to do to the guilty party. It is, however, mutually covenanted and agreed by and between the Licensor and Licensee that if the guilty party should correct, repair or remedy such breach, violation or non-performance of its covenants, conditions and stipulations within the said period of forty (40) days after such notice, and should thereafter knowingly or through gross neglect or carelessness be guilty of a second breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, then and in such case the party aggrieved may terminate this agreement by giving thirty (30) days' notice in writing to the guilty party of its intention so to do. Such termination of the agreement, however, shall not prejudice either party hereto in the recovery of damages because of any such breach, violation or non-performance by the other party hereto.

21a. It is mutually covenanted and agreed by and between the Licensor and the Licensee and the Edison Company that the license agreement between the Edison Company and the Licensee and the other license agreements between the Edison Company and The Kalem Company, of New York; the Essanay Company, of Chicago, Illinois; Siegmund Lubin, of Philadelphia, Pennsylvania; George Melies Company, of Chicago, Illinois; the Selig Polyscope Company, of said Chicago, and The Vitagraph Company of America, of New York, mentioned in Paragraph c shall, from the date hereof, be deemed suspended and shall not be acted under by any of the parties to any of said license agreements during the continuance of this agreement, except that in case this license agreement, or any

of the other license agreements made by one of said parties with the Licensor, as provided for in Paragraph 20, shall be terminated for any breach, violation or non-performance of its covenants, conditions and stipulations, as hereinbefore provided, then simultaneously with such termination, the license agreement made by the same party with the Edison Company shall be considered and be deemed terminated; and except further that any continuation of this agreement or of any of the other agreements made by any of the said parties with the Licensor as provided in Paragraph 21, shall operate as a continuation in like manner of the agreement by the same party with the Edison Company, except that any such agreement with the Edison Company shall not be continued beyond August 31, 1914, the date of the expiration of said reissued letters patent Nos. 12,037 and 12,192. In case, however, that the Licensor should become bankrupt, cease doing business or should be dissolved, voluntarily or otherwise, or its Charter should be repealed, then on the happening of either of such events, the Licensor shall and will forthwith assign to the Edison Company, its successors and assigns, the entire right, title and interest in and to said reissued letters patent Nos. 12,037 and 12,192, and the inventions therein set forth, together with all claims and demands, both at law and in equity, that it may have for infringement of said reissued letters patent, or either of them; and also on the happening of either of such events, this agreement and the agreements made with the additional licensees hereinbefore referred to that are then in force shall forthwith terminate and be at an end; and also forthwith and simultaneously with such termination (if before August 31, 1914) all said agreements made by and between the Edison Company and The Kalem Company, of New York; the Essanay Company, of Chicago, Illinois; Siegmund Lubin, of Philadelphia, Pennsylvania; George Melies Company, of said Chicago; the Selig Polyscope Company, of said Chicago, and The Vitagraph Company of America, of New York, including the one made with the Licensee, that have not been terminated as hereinbefore provided, shall be and become of full force and effect, subject to continuation and termination thereof as therein provided.

22. All notices provided for in this agreement shall be in writing and shall be given by delivering the same to the Licensor or Licensee, as the case may be, or to an officer of the Licensor or

Licensee, as the case may be, or by depositing such notice, postage prepaid, in any Post Office of the United States, in a sealed envelope, directed to the Licensor or the Licensee, as the case may be, at its last known Post Office address, to be forwarded by registered mail.

23. It is mutually covenanted and agreed by and between the Licensor and Licensee that after notice of the termination of this agreement and the license granted thereby, by either party, as provided for in Paragraphs 19 and 21 of this agreement, and after the same have been terminated, no matter what the cause or manner of termination may be, neither this license agreement, nor the fact that the Licensee has entered into or acted under it, shall be used in any manner, directly or indirectly, by or for the Licensor, its successors, assigns or legal representatives, or by or for others with its or their consent or permission, against the Licensee, or its successors or legal representatives, in any litigation, controversy or proceeding involving it or them or any other persons, firms or corporations, or in any other way—it being understood and agreed that upon such termination the positions and rights of the Licensor and Licensee shall be the same as if this agreement had not been made; provided, however, that the rights of neither party shall be prejudiced by such termination in the recovery of damages for any breach or other violation of this agreement by the other occurring prior to such termination.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENTS CO.,

By Frank L. Dyer.

President.

Attest:

George F. Scull,
Secretary.

EDISON MANUFACTURING CO.,

By Frank L. Dyer.

Vice-President.

Attest:

A. Westee,
Secretary.

PATHE FRERES,

By Jacques A. Berst,
Vice-President.

SEAL.

Motion Picture Patents Company,
Incorporated
Sept. 9,
1908
New Jersey

SEAL.

Edison Manufacturing Company
Laws
of
New Jersey
Incorporated 1900

Pathe Freres

SEAL.

1907

29.

EXCHANGE LICENSE AGREEMENT
BETWEEN
MOTION PICTURE PATENTS COMPANY
AND

.....
License Agreement, with Condition of License and Leasing Prices.

(Official Seal)

EXCHANGE LICENSE AGREEMENT.

WHEREAS, the Motion Picture Patents Company of New York City (hereinafter referred to as the "Licensor") is the owner of all the right, title and interest in and to reissued Letters Patent No. 12,192, dated January 12, 1904, granted to Thomas A. Edison, for Kinetoscopic Film, and also Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, for inventions relating to motion picture projecting machines; and

WHEREAS, the Licensor has licensed the American Mutoscope and Biograph Company of New York City, the Edison Manufacturing Company of Orange, New Jersey; the Essanay Company of Chicago; the Kalem Company of New York City; George Kleine of Chicago; Lubin Manufacturing Company of Philadelphia; Pathe Freres of New York City; the Selig Polyscope Company of Chicago; and The Vitagraph Company of America, of New York City, (hereinafter referred to as "Licensed Manufacturers or Importers") to manufacture or import motion pictures under the said reissued Letters Patent and to lease licensed motion pictures (hereinafter referred to as "Licensed Motion Pictures") for use on projecting machines licensed by the Licensor; and

WHEREAS, the undersigned, (hereinafter referred to as the "Licensee") desires to obtain a license under said reissued Letters Patent No. 12,192, to lease from the Licensed Manufacturers and Importers licensed motion pictures and to sub-let the said licensed motion pictures for use on projecting machines licensed by the Licensor;

NOW, THEREFORE, THE PARTIES HERETO, in consideration of the covenants herein, have agreed as follows:

(1) The Licensor hereby grants to the Licensee for the term and subject to the conditions expressed in the "Conditions of License" hereinafter set forth, the license, under the said reissued Letters Patent No. 12,192, to lease licensed motion pictures from the Licensed Manufacturers and Importers and to sub-lease said license motion pictures for use only on projecting machines licensed by the Licensor under Letters Patent owned by it.

(2) The Licensee covenants and agrees to conform with and strictly adhere to and be bound by all of the "Conditions of License," hereinafter set forth, and to and by any and all future changes in or additions thereto, and further agrees not to do or suffer any of the acts or things thereby prohibited, and that the Licensor may place and publish the Licensee's name in its removal or suspended list in the event of the termination of this agreement by the Licensor, or in case of any violation thereof, and may direct the Licensed Manufacturers and Importers not to lease licensed motion pictures to the Licensee, the Licensee hereby expressly agreeing that such Licensed Manufacturers and Importers shall have the right to cease such leasing when so directed by the Licensor; and the Licensee further agrees that the signing of this agreement constitutes a cancellation of any or all agreements for the sale of licensed motion pictures made prior to this agreement by and between the Licensee and any or all licensed manufacturers or importers, except as to any clause in said agreements relating to the return of motion picture film to the several licensed manufacturers or importers. It is further understood and agreed by the Licensee that the license hereby granted is a personal one and not transferable or assignable, and the Licensee hereby recognizes and acknowledges the validity of the said reissued Letters Patent No. 12,192.

CONDITIONS OF LICENSE.

1. From the date of this agreement the Licensee shall not buy, lease, rent, or otherwise obtain any motion pictures other than licensed motion pictures and shall dispose of any motion pictures only by the sub-leasing thereof under the conditions hereinafter set forth.

2. The ownership of each licensed motion picture leased under this agreement shall remain in the Licensed Manufacturer or Importer from whom it may have been leased, the Licensee, by the payment of the leasing price acquiring only the license to sub-let such motion picture subject to the conditions of this agreement. Such license for any motion picture shall terminate upon the breach of this agreement in regard thereto, and the Licensed Manufacturer or Importer from whom it may have been leased, shall have the right to immediate possession of such motion picture, without liability for any leasing price or other sum, which the Licensee, or the person in whose possession said motion picture is found, may have paid therefor.

3. The Licensee shall not sell nor exhibit licensed motion pictures obtained from any Licensed Manufacturer or Importer, either in the United States or elsewhere, but shall only sub-let such licensed motion pictures and only for use in the United States and its territories and only to exhibitors who shall exclusively exhibit licensed motion pictures, but in no case shall the exhibitor be permitted to sell or sub-let or otherwise dispose of said licensed motion pictures.

4. The leasing price to be paid by the Licensee to the Licensed Manufacturers or Importers, or the terms of payment for or shipment of licensed motion pictures, shall in no case be less or more favorable to the Licensee than that defined in the leasing schedule embodied in this agreement, or any other substitute leasing schedule, which may be regularly adopted by the Licensor, and of which notice shall be given to the Licensee hereafter.

5. To permit the Licensee to take advantage of any standing order leasing price mentioned in such schedule, such standing order with any Licensed Manufacturer or Importer shall be for one or more prints of each and every subject regularly produced, and offered for lease by such manufacturer or importer as a standing order subject and not advertised as special by such Licensed Manufacturer or Importer; and shall remain in force for not less than fourteen (14) consecutive days. Any standing order may be canceled or reduced by the Licensee on fourteen (14) days notice. Extra prints in addition to a standing order shall be furnished to the Licensee at the standing order leasing price.

6. The Licensee shall not sell, rent, or otherwise dispose of, either directly or indirectly, any licensed motion pictures (however

the same shall have been obtained) to any persons, firms or corporations or agents thereof, who may be engaged either directly or indirectly in selling or renting motion picture films.

7. The Licensee shall not make or cause to be made, or permit others to make reproductions or so-called "dupes" of any licensed motion pictures, nor sell, rent, loan or otherwise dispose of or deal in any reproductions or "dupes" of any motion pictures.

8. The Licensee shall not deliberately remove the trademark or trade-name or title from any licensed motion picture, nor permit others to do so, but in case any title is made by the Licensee, the Manufacturer's name is to be placed thereon, provided that in making any title by the Licensee, the Manufacturer's trademark shall not be reproduced.

9. The Licensee shall return to each Licensed Manufacturer or Importer (without receiving any payment therefor, except that the said Licensed Manufacturer or Importer shall pay the transportation charges incident to the return of the same) on the first day of every month commencing seven months from the first day of the month on which this agreement is executed, an equivalent amount of positive motion picture film in running feet (not purchased or leased over twelve months before) and of the make of the said Licensed Manufacturer or Importer, equal to the amount of licensed motion pictures that was so leased during the seventh month preceding the day of each such return, *with the exception*, however, that where any such motion pictures are destroyed or lost in transportation or otherwise, and satisfactory proof is furnished, within fourteen (14) days after such destruction or loss, to the Licensed Manufacturer or Importer from whom such motion picture was leased, the Licensed Manufacturer or Importer shall deduct the amount so destroyed or lost from the amount to be returned.

10. The Licensee shall not sell, rent, sub-let, loan or otherwise dispose of any licensed motion pictures (however the same may have been obtained) to any person, firm or corporation in the exhibition business, who may have violated any of the terms or conditions imposed by the Licensor through any of its licensees and of which violation the present Licensee may have had notice.

11. The Licensee shall not sub-lease licensed motion pictures to any exhibitor unless a contract with said exhibitor (satisfactory in form to the Licensor) is first exacted, under which the exhibitor

agrees to conform to all the conditions and stipulations of the present agreement applicable to the exhibitor; and in the case of an exhibitor who may operate more than a single place of exhibition, a similar contract shall be exacted in connection with each place so operated, and supplied with licensed motion pictures by the Licensee.

12. After February 1st, 1909, the Licensee shall not sub-lease any licensed motion pictures to any exhibitor unless each motion picture projecting machine on which the licensed motion pictures are to be used by such exhibitor is regularly licensed by the Motion Picture Patents Company, and the license fees therefor have been paid; and the Licensee shall, before supplying such exhibitor with licensed motion pictures, mail to the Motion Picture Patents Company, at its office in New York City, a notice, giving the name of the exhibitor, the name and location of the place of exhibition, (and, if requested to do so by the Licensor, its seating capacity, hours of exhibition and price of admission, and the number and make of the licensed projecting machine or machines), together with the date of the commencement of the sub-leasing, all in a form approved by the Licensor. The Licensee, when properly notified by the Licensor, that the license fees of any exhibitor for any projecting machine have not been paid, and that the license for such projecting machine is terminated, shall immediately cease to supply such exhibitor with licensed motion pictures.

13. The Licensee agrees to order during each month while this agreement is in force, for shipment directly to the place of business of the Licensee in the City for which this agreement is signed, licensed motion pictures, the net leasing prices for which shall amount to at least \$2,500.

14. The Licensee shall, on each Monday during the continuance of this agreement, make or mail payment to each Licensed Manufacturer and Importer for all invoices for licensed motion pictures which have been received by the Licensee during the preceding week.

15. This agreement shall extend only to the place of business for the sub-leasing of motion pictures maintained by the Licensee in the City for which this agreement is signed, and the Licensee agrees not to establish or maintain a place of business for the sub-leasing of motion pictures, or from which motion pictures are delivered to exhibitors, in any other City, unless an agreement for such other

City, similar to the present agreement, is first entered into by and between the Licensee and the Licensor.

16. The Licensor agrees that before licensing any person, firm or corporation in the United States (not including its insular territorial possessions and Alaska) to lease licensed motion pictures from Licensed Manufacturers and Importers and to sub-lease such motion pictures, it will exact from each such licensee, an agreement similar in terms to the present agreement, in order that all licensees who may do business with the Licensed Manufacturers and Importers will be placed in a position of exact equality.

19. It is understood and specifically covenanted by the Licensee, that the Licensor may terminate this agreement on fourteen (14) days' written notice to the Licensee of its intention so to do, and that if the Licensee shall fail to faithfully keep and perform the foregoing terms and conditions of lease, or any of them, or shall fail to pay the leasing price for any motion pictures supplied by any Licensed Manufacturer or Importer when due and payable, according to the terms of this agreement, the Licensor shall have the right to place the Licensee's name on an appropriate suspended list, which the Licensor may publish and distribute to its other licensees and to exhibitors and to the Licensed Manufacturers and Importers and to direct the Licensed Manufacturers and Importers not to lease licensed motion pictures to the Licensee, and the exercise of either or both of these rights by the Licensor shall not be construed as a termination of this license, and the Licensor shall also have the right in such case, upon appropriate notice to the Licensee, to immediately terminate the present license, if the Licensor shall so elect, without prejudice to the Licensor's right to sue for and recover any damages which may have been suffered by such breach or non-compliance with the terms and conditions hereof by the Licensee, such breach or non-compliance constituting an infringement of said reissued Letters Patent. It is further agreed by the Licensee that if this agreement is terminated by the Licensor for any breach of any condition hereof, the right to possession of all licensed motion pictures shall revert, twenty days after notice of such termination, to the respective Licensed Manufacturers and Importers from whom they were obtained and shall be returned to such Licensed Manufacturers or Importers at once after the expiration of that period.

20. It is understood that the terms and conditions of this license may be changed at the option of the Licensor upon fourteen (14) days' written notice to the Licensee, but no such change shall be effective and binding unless duly ratified by an officer of the Licensor.

LEASING PRICES OF LICENSED POSITIVE MOTION PICTURES.

List	13	cents	per	running	foot
Standing Order	11	"	"	"	"
Films leased between two and four months					
after release date	9	"	"	"	"
Films leased between four and six months					
after release date	7	"	"	"	"
Films leased over six months after re-					
lease date	5	"	"	"	"

A rebate of 10% will be allowed on all leases of licensed motion pictures, except at the 7 cent and 5 cent prices, which are net; said rebates to be due and payable between the 1st and 15th days of each of the months of March, May, July, September, November and January, on all films leased during the two months preceding each said period, provided all the terms and conditions of this license agreement have been faithfully observed.

TERMS.

All shipments are made F. O. B. lessor's office at lessee's risk.

All motion picture films are to be shipped to lessee's office only.

The lengths at which motion picture films are listed and leased are only approximate.

MOTION PICTURE PATENTS COMPANY

By

President.

LICENSEE'S SIGNATURE

Place of business for which this license is granted

Street and No.

City

State

Date

30.

ASSIGNMENT.

WHEREAS, the ARMAT MOVING PICTURE COMPANY, a corporation organized and existing under the laws of the State of West Virginia, and having an office at Washington, D. C., is possessed of the entire right, title and interest in and to the following named inventions and letters patent of the United States therefor, namely:

Patent No. 578,185, granted to Thomas Armat, dated March 2, 1897, for VITASCOPE;

Patent No. 580,749, granted to Thomas Armat, dated April 13, 1897, for VITASCOPE;

Patent No. 586,953, granted to Charles F. Jenkins and Thomas Armat, dated July 20, 1897, for PHANTOSCOPE;

Patent No. 588,916, granted to Charles M. Campbell as assignee of Willard G. Stewart and Ellis F. Frost, dated August 24, 1897, for KINETOSCOPE, and

Patent No. 673,992, granted to Thomas Armat, dated May 14, 1901, for VITASCOPE, and

WHEREAS, the MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey and having an office at Jersey City, in said State, desires to acquire the entire right, title and interest which the said Armat Moving Picture Company has in and to the aforesaid inventions and in and to the aforesaid letters patent, and to acquire the right to sue for past infringement of the aforesaid letters patent.

NOW, THEREFORE, THIS INDENTURE WITNESSETH that for and in consideration of the sum of one dollar, and of other good and valuable considerations, the receipt whereof is hereby acknowledged, the said Armat Moving Picture Company, in and by these presents, does assign, transfer and set over unto the said Motion Picture Patents Company, and its successors in business, the entire right, title and interest in and to the said inventions and the said letters patent of the United States, and the right to sue for and recover damages and profits for past infringement of the said letters patent and each of them, and all right, title and interest in and to any re-issue or reissues, or extension or extensions, of said letters patent, the same to be held and enjoyed by the said Motion Picture

Patents Company and its successors in business, to the full end of the term or terms for which the said letters patent of the United States are granted, reissued or extended, as fully and entirely as the same would have been held and enjoyed by the said Armat Moving Picture Company if this assignment and sale had not been made.

The Armat Moving Picture Company hereby covenants that it has full right to convey the interest herein assigned, and that it has not executed and will not execute any agreement in conflict herewith.

IN WITNESS WHEREOF, the ARMAT MOVING PICTURE COMPANY has caused its corporate seal to be affixed hereunto and its name to be subscribed hereto by its President, this 31st day of December, 1908.

ARMAT MOVING PICTURE COMPANY,

By THOS. ARMAT,

President.

Attest:

Louis H. Stabler,

Secretary.

DISTRICT OF COLUMBIA, ss.

On this 31st day of March, 1909, before me personally appeared Louis H. Stabler, the secretary of the Armat Moving Picture Company, with whom I am personally acquainted, who being by me duly sworn, deposed and said that he resided in the District of Columbia, and was the secretary of the Armat Moving Picture Company, the corporation described in and which executed the foregoing instrument; that he knew the corporate seal of the said company, that the seal affixed to the said instrument was said corporate seal and was so affixed by order of the Board of Directors of the said company; and that he attested the same by subscribing his name to the said instrument as secretary of the said company by like order.

Sworn to and subscribed before
me this 31st day of March, 1909.

AUGUSTUS B. OMWAKI,

(SEAL)

Notary Public,

D. C.

U. S. Patent Office.

May 4, 1909.

RECORDED

31.**DEPARTMENT OF THE INTERIOR,
United States Patent Office.**

To all persons to whom these presents shall come, GREETING :
THIS IS TO CERTIFY that the annexed is a true copy from the records of this office of an instrument of writing recorded May 4, 1909, in Liber M-81, Page 242.

Said record has been carefully compared with the original and is a correct transcript of the whole thereof.

IN TESTIMONY WHEREOF I have hereunto set my hand and caused the seal of the Patent Office to be affixed at the City of Washington, this 29th day of
(SEAL) September, in the year of our Lord one thousand nine hundred and eleven and of the Independence of the United States of America the one hundred and thirty-sixth.

T. A. TENNANT,
Assistant Commissioner of Patents.

Liber M-81,
Page 242.

ASSIGNMENT.

WHEREAS, the AMERICAN MUTOSCOPE & BIOGRAPH COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office in New York City, is possessed of the entire right, title and interest in and to the following named inventions and letters patent of the United States therefor, namely:

Patent No. 629,063, granted to American Mutoscope Company as assignee of Herman Casler, dated July 18th, 1899, for KINETOGRAPHIC CAMERA;

Patent No. 707,934, granted to E. & H. T. Anthony & Co., as assignee by mesne assignments of Woodville Latham, dated August 26, 1902, for PROJECTING KINETOSCOPE, and

Patent No. 722,382, granted to American Mutoscope & Biograph Company as assignee of John A. Pross, dated March 10, 1903, for ANIMATED PICTURE APPARATUS, and

WHEREAS, THE MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey, having an office at Jersey City, in said State, desires to acquire the entire right, title and interest which the said American Mutoscope & Biograph Company has in and to the aforesaid inventions and in and to the aforesaid letters patent, and to acquire the right to sue for past infringement of the aforesaid letters patent.

NOW, THEREFORE, THIS INDENTURE WITNESSETH that for and in consideration of the sum of one dollar, and of other good and valuable considerations, the receipt whereof is hereby acknowledged, the said American Mutoscope & Biograph Company, in and by these presents does assign, transfer and set over unto the said Motion Picture Patents Company, and its successors in business, the entire right, title and interest in and to the said inventions and the said letters patent of the United States, and the right to sue for and recover damages and profits for past infringement of the said letters patent and each of them, and all right, title and interest in and to any reissue or reissues, or extension or extensions, of said letters patent, the same to be held and enjoyed by the said Motion Picture Patents Company and its successors in business, to the full end of the term or terms for which the said letters patent of the United States are granted, reissued or extended, as fully and entirely as the same would have been held and enjoyed by the said American Mutoscope & Biograph Company if this assignment and sale had not been made.

The American Mutoscope & Biograph Company hereby covenants that it has full right to convey the interest herein assigned, and that it has not executed and will not execute any agreement in conflict herewith.

IN WITNESS WHEREOF, the AMERICAN MUTOSCOPE & BIOGRAPH COMPANY has caused its corporate seal to be affixed hereto and its name to be subscribed hereto by its President, this 30th day of December, 1908.

AMERICAN MUTOSCOPE & BIOGRAPH COMPANY,

By J. J. KENNEDY,

President.

Attest:

H. H. Bruenner,
Secretary.
American Mutoscope and Bio-
graph Co.,
Incorporated 1896.
New Jersey.

STATE OF NEW YORK, }
COUNTY OF NEW YORK, } ss.

On this 12th day of January, 1909, before me personally came HERMAN H. BRUENNER, the Secretary of the AMERICAN MUTOSCOPE & BIOGRAPH COMPANY, with whom I am personally acquainted, who being by me duly sworn, deposed and said that he resides in the Borough of Brooklyn, City of New York, and is the Secretary of the AMERICAN MUTOSCOPE & BIOGRAPH COMPANY, the corporation described in and which executed the foregoing instrument; that he knows the corporate seal of the said company; that the seal affixed to the said instrument is said corporate seal and is so affixed by order of the Board of Directors of the said company; and that he attested the same by subscribing his name to the said instrument as Secretary of the said company by like order.

HERMAN H. BRUENNER.

Sworn to and subscribed before me this 12th
day of January, 1909.

CLINTON DeFOREST GANSE,
Notary Public, New York Co., N. Y.

Clinton D. Ganse,
Notary Public, Kings County.
Certificate filed in New York County.
Recorded May 4, 1909.

32.

COPY

2-391

DEPARTMENT OF THE INTERIOR.

United States Patent Office.

To all persons to whom these presents shall come, Greeting:

THIS IS TO CERTIFY that the annexed is a true copy from the records of this office of an instrument of writing executed by

Edison Manufacturing Company,

December 31, 1908,

and

Recorded May 4, 1909, in Liber D-81, page 498.

Said record has been carefully compared with the original and is a correct transcript of the whole thereof.

IN TESTIMONY WHEREOF I have hereunto set my hand and caused the seal of the Patent Office to be affixed at the City of Washington this 13th day of
(SEAL) May, in the year of our Lord one thousand nine hundred and twelve and of the Independence of the United States of America the one hundred and thirty-sixth.

T. A. TENNANT,

Acting Commissioner of Patents.

Liber D. 81,

Page 498.

ASSIGNMENT.

WHEREAS, the EDISON MANUFACTURING COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Orange, in said State, is possessed of the entire right, title and interest in and to the following named inventions and letters patent of the United States therefor, namely:

Reissued Patent No. 12,037, granted to Thomas A. Edison, September 30, 1902, for KINETOSCOPES, being a reissue of Letters Patent issued to him dated August 31, 1897; and

Reissued Patent No. 12,192, granted to Thomas A. Edison, January 12, 1904, for KINETOSCOPIC FILMS, beng a reissue of Letters Patent granted to him August 31, 1897, and reissued as No. 12,038 on September 30, 1902; and

WHEREAS, the MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of

New Jersey, and having an office at Jersey City in said State, desires to acquire the entire right, title and interest which the said Edison Manufacturing Company has in and to the aforesaid inventions and in and to the aforesaid Letters Patent, and to acquire the right to sue for past infringement of the aforesaid Letters Patent;

NOW, THEREFORE, this indenture witnesseth that for and in consideration of the sum of one dollar and of other good and valuable considerations, the receipt whereof is hereby acknowledged, the said Edison Manufacturing Company, in and by these presents, does assign, transfer and set over unto the said Motion Picture Patents Company, and its successors in business, the entire right, title and interest in and to the said inventions and the said Letters Patent of the United States and the right to sue for and recover damages and profits for past infringement of the said Letters Patent and each of them, and all right, title and interest in and to any reissue or reissues or extension or extensions of said Letters Patent, the same to be held and enjoyed by the said Motion Picture Patents Company and its successors in business, to the full end of the term or terms for which said Letters Patent of the United States are granted, reissued or extended, as fully and entirely as the same would have been held and enjoyed by the said Edison Manufacturing Company if this assignment and sale had not been made.

The Edison Manufacturing Company hereby covenants that it has full right to convey the interest herein assigned and that it has not executed and will not execute any agreement in conflict herewith.

IN WITNESS WHEREOF, the EDISON MANUFACTURING COMPANY has caused its corporate seal to be affixed hereto and its name to be subscribed hereto by its Vice-President this 31st day of December, 1908.

EDISON MANUFACTURING COMPANY.

By Frank L. Dyer,
Vice-President.

Edison Manufacturing Company,
Incorporated 1900, Laws of New
Jersey.

Attest:

A. Westee,
Secretary.

Recorded May 4th, 1909.

DEPARTMENT OF THE INTERIOR.

United States Patent Office.

RECEIVED AND RECORDED on the 11th day of May, 1909,
in Liber J-81, page 360, of Transfers of Patents.

IN TESTIMONY WHEREOF, I have caused the
seal of the Patent Office to be hereunto affixed.

Patent
Office
United States
of America.

E. B. MOORE,
Commissioner of Patents.

Exd .
M. F. O.

33.

ASSIGNMENT.

WHEREAS, The Vitagraph Company of America, a corporation organized and existing under the laws of the State of New York, and having an office at New York in said State, is possessed of the entire right, title and interest in and to the following named inventions and Letters Patent of the United States therefor, namely:

Patent No. 673,329, granted to The American Vitagraph Company as the assignee of Albert E. Smith, dated April 30, 1901, for KINETOSCOPE;

Patent No. 741,251, granted to Albert E. Smith, dated November 17, 1903, for KINETOSCOPE;

Patent No. 770,937, granted The Vitagraph Company of America as the assignee of Albert E. Smith, dated September 27, 1904, for KINETOSCOPE;

Patent No. 771,280, granted to Albert E. Smith, dated October 4, 1904, for WINDING REEL;

Patent No. 785,205, granted The Vitagraph Company of America as the assignee of William Ellwood, dated March 21, 1905, for FLAME-SHIELD FOR KINETOSCOPES, and

Patent No. 785,237, granted The Vitagraph Company of America as the assignee of Albert E. Smith, dated March 21, 1905, for FILM-HOLDER FOR KINETOSCOPES, and

WHEREAS, The MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Jersey City in said State, desires to acquire the entire right, title and interest which the said THE VITAGRAPH COMPANY OF AMERICA has in and to the aforesaid inventions and in and to the aforesaid Letters Patent, and to acquire the right to sue for past infringement of the aforesaid Letters Patent.

NOW, THEREFORE, THIS INDENTURE WITNESSETH THAT for and in consideration of the sum of one dollar, and of other good and valuable considerations, the receipt whereof is hereby acknowledged, the said Vitagraph Company of America, in and by these presents, does assign, transfer and set over unto the said Motion Picture Patents Company, and its successors in business, the entire right, title and interest in and to the said inventions and the

said Letters Patent of the United States, and the right to sue for and recover damages and profits for past infringement of the said Letters Patent and each of them, and all right, title and interest in and to any reissue or reissues, or extension or extensions, of said Letters Patent, the same to be held and enjoyed by the said Motion Picture Patents Company and its successors in business, to the full end of the term or terms for which the said Letters Patent of the United States are granted, reissued or extended, as fully and entirely as the same would have been held and enjoyed by the said Vitagraph Company of America if this assignment and sale had not been made, *provided, however*, that the said Vitagraph Company of America hereby reserves and retains to itself and its successors in business, the right and license to practice the inventions described in the said Letters Patent without the payment of any royalty thereon to the said Motion Picture Patents Company or its successors in business, such right and license being, however, subject to the same covenants, conditions and stipulations which the said Motion Picture Patents Company may hereafter impose upon the manufacture, use and sale of projecting machines or other apparatus embodying the inventions of the said Letters Patent.

The Vitagraph Company of America hereby covenants that it has full right to convey the interest herein assigned, and that it has not executed and will not execute any agreement in conflict herewith.

IN WITNESS WHEREOF, The VITAGRAPH COMPANY OF AMERICA has caused its corporate seal to be affixed hereunto and its name to be subscribed hereto by its President, this 30th day of December, 1908.

THE VITAGRAPH COMPANY OF AMERICA.

By (Signed) WM. T. ROCK,

President

Attest:

(Signed) J. Stuart Blackton,

Secretary.

(Corporate Seal.)

STATE OF NEW YORK. }
COUNTY OF NEW YORK. } ss.

On this 30th day of December, 1908, before me personally appeared J. Stuart Blackton, the secretary of The Vitagraph Com-

pany of America, with whom I am personally acquainted, who being by me duly sworn; deposed and said that he resided in the Borough of Brooklyn, Kings Co., N. Y., and was the secretary of The Vitagraph Company of America, the corporation described in and which executed the foregoing instrument; that he knew the corporate seal of the said company; that the seal affixed to the said instrument was said corporate seal and was so affixed by order of the Board of Directors of the said company; and that he attested the same by subscribing his name to the said instrument as secretary of the said company by like order.

Sworn to and subscribed before me this 30th
day of December, 1908.

(Signed) BURTON W. GIBSON,

Commissioner of Deeds, City of New York.

34.

1. AGREEMENT made this 1st day of January, 1909, by and between MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey and having an office at Jersey City, in said State, party of the first part (hereinafter referred to as the PATENTS COMPANY); the EDISON MANUFACTURING COMPANY, a corporation organized and existing under the laws of the State of New Jersey and having an office at Orange, in said State, party of the second part (hereinafter referred to as the EDISON COMPANY), and the EASTMAN KODAK COMPANY, a corporation organized and existing under the laws of the State of New York and having a place of business at the City of Rochester, in said State, party of the third part (hereinafter referred to as the EASTMAN COMPANY), WITNESSETH:—

2. WHEREAS, the Patents Company represents that it is organized to own, deal in and grant licenses under letters patent pertaining to the motion picture art, and that it is the owner of all the right, title and interest in and to United States Letters Patent:

No. 578,185, dated March 2, 1897, for Vitascope, granted Thomas Armat;

No. 580,749, dated April 13, 1897, for Vitascope, granted Thomas Armat;

No. 586,953, dated July 20, 1897, for Phantascope, granted Charles E. Jenkins and Thomas Armat;

No. 588,916, dated August 24, 1897, for Kinetoscope, granted Charles M. Campbell as assignee of Willard G. Steward and Ellis F. Frost;

No. 629,063, dated July 18, 1899, for Kinetoscopic Camera, granted American Mutoscope Company as assignee of Herman Casler;

No. 673,329, dated April 30, 1901, for Kinetoscope, granted The American Vitagraph Company as assignee of Albert E. Smith;

No. 673,992, dated May 14, 1901, for Vitascope, granted Thomas Armat;

No. 707,934, dated August 26, 1902, for Projecting Kinetoscope, granted E. & H. T. Anthony as assignees of Woodville Latham;

No. 722,382, dated March 10, 1903, for Animated Picture Apparatus, granted to American Mutoscope & Biograph Company as assignee of John A. Pross;

No. 744,251, dated November 17, 1903, for Kinetoscope, granted Albert E. Smith;

No. 770,937, dated September 27, 1904, for Kinetoscope, granted The Vitagraph Company of America as assignee of Albert E. Smith;

No. 771,280, dated October 4, 1904, for Winding Reel, granted Albert E. Smith;

No. 785,205, dated March 21, 1905, for Flame-Shield for Kinetoscopes, granted The Vitagraph Company of America as assignee of William Ellwood, and

No. 785,237, dated March 21, 1905, for Film-Holder for Kinetoscopes, granted The Vitagraph Company of America as assignee of Albert E. Smith;

all of which said letters patent relate to improvements in the motion picture art, and that there are no outstanding licenses, shop rights, or other rights under said letters patent, or either of them, except a license for Parlor Kinetoscopes under letters patent Nos. 578,185, 580,749, 586,953, and 673,992, and certain alleged licenses under U. S. letters patent No. 586,953, which are in dispute, and excepting a license granted by the American Mutoscope & Biograph Company to the firm of Marvin and Casler to manufacture and sell cameras and exhibiting or projecting machines under letters patent owned by it (some of which are hereinbefore referred to) for use in foreign countries only, and excepting certain licenses granted by the Armat Motion Picture Company to the American Mutoscope & Biograph Company under letters patent Nos. 578,185, 580,749, 586,953, 588,916, and 673,992, and by the latter Company to the former Company under letters patent Nos. 707,934 and 722,382, which licenses, however, are by agreement between said parties, suspended and are not to be acted upon until the Patents Company becomes bankrupt, ceases doing business or shall be dissolved, voluntarily or otherwise, or its Charter shall be repealed; and

3. WHEREAS, the Patents Company further represents that it is the owner of all the right, title and interest in and to reissued letters patent of the United States No. 12,037, dated September 30, 1902, and No. 12,192, dated January 12, 1904, the original letters patent whereof are No. 589,168 and dated August 31, 1897, and that

there are no outstanding licenses, shop rights or other rights under said reissued letters patent, or either of them, except license agreements thereunder between the Edison Company and Pathe Freres, a corporation organized and existing under the laws of the State of New Jersey and having an office at Jersey City, in said State, dated May 20, 1908, (which went into effect June 20, 1908), and between the Edison Company and the Kalem Company, of New York; the Essanay Company, of Chicago, Illinois; Siegmund Lubin, of Philadelphia, Pennsylvania; George Melies Company, of said Chicago; the Selig Polyscope Company, of said Chicago, and The Vitagraph Company of America, of New York, all dated January 31, 1908; and

4. WHEREAS, the Patents Company further represents that it has licensed each of the parties to the license agreements mentioned in Paragraph 3, including the Edison Company, (with the exception of said George Melies Company) and also the American Mutoscope & Biograph Company, of New York, and George Kleine, of Chicago, Illinois, by agreements in writing to take effect January 1st, 1909, to manufacture and use in the United States, its territories and possessions (hereinafter referred to as the "territory afore-said") cameras or apparatus embodying the inventions of said reissued letters patent No. 12,037 and letters patent Nos. 629,063 and 707,934, and to manufacture, print and produce positive motion pictures embodying the inventions of said reissued letters patent No. 12,192, and to lease the same in the United States, its territories, dependencies and possessions (with the exception of its insular possessions and Alaska, therein referred to as the "lease territory") on film of a greater width than approximately one (1) inch, upon condition that they be used solely in exhibiting or projecting machines licensed by the Patents Company for the use of which a royalty or rent is paid by the user thereof while in use containing the inventions, or some of them, of said letters patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 722,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and to sell positive motion pictures containing the inventions of said reissued letters patent number 12,192, on film of a width approximately one (1) inch or less in said "lease territory," and on film of any width in and for said insular possessions and Alaska and foreign countries, all of which license agreements are upon substantially the same terms and conditions, except that the Edison Company is not to pay any royalties to the

Patents Company, and except that George Kleine is prevented from manufacturing negative motion pictures in the "territory aforesaid" and from manufacturing from imported negative motion pictures, positive motion pictures, and importing, in all more positive motion pictures than a certain number of thousand feet per week; and that the Patents Company may hereafter have other licensees (said licensees which it now has or may hereafter have being referred to hereinafter, for brevity, as the "Patents Company licensees"; and that in case the Patents Company should become bankrupt, cease doing business or should be dissolved, voluntarily or otherwise, or its Charter should be repealed, then, on the happening of either of such events, the Patents Company is to forthwith assign to the Edison Company, its successors and assigns, the entire right, title and interest in and to said reissued letters patent Nos. 12,037 and 12,192, and the inventions therein set forth, together with all claims and demands, both at law and in equity, for infringement of said reissued letters patent, or either of them, and also on the happening of either of such events, all of the said license agreements hereinbefore referred to in this paragraph are to forthwith terminate and be at an end; and that the license agreements of the parties referred to in Paragraph 3 have been suspended, except that any one of them is to terminate on the termination of the hereinbefore mentioned agreement between the same party as licensee and the Patents Company, before the happening of either of such events, and forthwith and simultaneously with the happening of either of such events (if before August 31, 1914), all of said license agreements referred to in Paragraph 3, that have not been so terminated, shall be and become of full force and effect, subject to continuation and termination thereof as therein provided; and

5. WHEREAS, the Patents Company further represents that in and by the license agreements aforesaid with it, the licensees named therein are entitled to receive from the Patents Company a share of twenty-four (24) per cent. of the annual gross royalties or rents collected by or paid to the Patents Company for the use of all exhibiting or projecting machines containing any of the inventions described and claimed in the letters patent referred to in Paragraph 4, which twenty-four (24) per cent. of said annual gross royalties or rents shall be paid to the Eastman Company and the shares thereof to which said licensees are entitled shall be apportioned to and paid

to such licensees by the Eastman Company as hereinafter provided; and

6. WHEREAS, the Patents Company further represents that in and by the license agreements aforesaid with it the licensees named therein are each obligated to use exclusively in the manufacture, in the "territory aforesaid," of motion pictures made on translucent or transparent sensitized film, designated in said agreements as "Licensed Film" manufactured and sold by a film manufacturer or manufacturers under an agreement in writing with the Patents Company; each of said license agreements further providing for the collection from the licensee named therein by such manufacturer or manufacturers of the following royalty or royalties for such "Licensed Film" of a width approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) purchased by said licensee during the year preceding June 20th, 1909, and during any year, counting from June 20th, 1909, during the continuance of the license agreement, and up to August 31, 1914, that is to say: If such shipments of such "Licensed Film" to the licensee, on the orders of such licensee, for any such year, be four million running feet or less, a royalty of one-half ($\frac{1}{2}$) cent per running foot on the total number of running feet for that year; if such shipments, on the orders of such licensee, of such "Licensed Film," for any such year, exceed four million running feet, but do not exceed six million running feet, a royalty of four and one-half ($4\frac{1}{2}$) mills per running foot on the total number of running feet for that year; if such shipments, on the orders of such licensee, of such "Licensed Film," for any such year, exceed six million running feet, but do not exceed eight million running feet, a royalty of four (4) mills per running foot on the total number of running feet for that year; if such shipments, on the orders of such licensee, of such "Licensed Film," for any such year, exceed eight million running feet but do not exceed ten million running feet, a royalty of three and three-quarter ($3\frac{3}{4}$) mills per running foot on the total number of running feet for that year; and if such shipments, on the orders of such licensee, of such "Licensed Film," for any such year, exceed ten million running feet, a royalty of three and one-quarter ($3\frac{1}{4}$) mills per running foot for the total number of running feet for that year. And for "Licensed Film" narrower or wider than approximately one inch and three-eighths ($1\frac{3}{8}$) or thirty-five (35) millimeters, the above mentioned royalties shall be reduced or

increased in proportion to the reduction or increase in width of such narrower or wider "Licensed Film" below or above the width of such "Licensed Film" of a width of approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.); and

7. WHEREAS, the Eastman Company represents that it has heretofore manufactured by secret processes and embodying secret compositions and patented invention at said City of Rochester, State of New York, sensitized translucent or transparent film (having a nitrocellulose base) suitable for use in the commercial manufacture, printing and production of negative and positive motion pictures, and has sold the same in the "territory aforesaid" and in foreign countries, the parties to the license agreements mentioned in Paragraph 3 having been some of its customers therefor, and that it has special facilities for the manufacture of such film; and

8. WHEREAS, the Edison Company, not being a manufacturer of translucent or transparent sensitized film suitable for use in the manufacture, printing or production of motion pictures, entered into two agreements in writing with the Eastman Company bearing date on or about the 20th day of May, 1908, respecting the manufacture of such film, and the supplying of the same to said Edison Company and to the licensees of the license agreements with the Edison Company mentioned in said Paragraph 3, and the collecting from such parties and the payment by it to the Edison Company of certain royalties upon such film; and

9. WHEREAS, the Edison Company and the Eastman Company are desirous of terminating and cancelling said two agreements in writing, and the Patents Company not being a manufacturer of translucent or transparent sensitized film suitable for use in the manufacture, printing or production of motion pictures, is desirous of availing itself of the manufacturing facilities therefor of the Eastman Company by having it manufacture such film (having a nitrocellulose base) by its present secret processes and embodying its present secret compositions and patented invention and supply such film to the "Patents Company licensees," and is also desirous of having the Eastman Company collect from the latter, for payment to the Patents Company, the royalties referred to in Paragraph 4 of this agreement, and to collect from the other persons, firms and corporations, as provided for in Paragraph 11, for payment to the Patents Company, the royalties provided for in Paragraph 17:

NOW THEREFORE, the parties hereto, for and in consideration of the sum of one dollar to each paid by the other, the receipt of which is hereby acknowledged, and for other good and valuable considerations from each to the other moving, including the covenants and agreements hereinafter entered into by them, do covenant and agree as follows:

10. The Patents Company hereby grants to the Eastman Company, and the latter accepts, for the term and subject to the covenants, conditions and stipulations hereinafter expressed, the sole and exclusive right and authority, for the "territory aforesaid," to manufacture the "Licensed Film" aforesaid, and also such other translucent or transparent sensitized film suitable for the production commercially of positive and negative motion pictures, and sell such "Licensed Film" to the "Patents Company licensees," and such other film to other persons, firms and corporations as provided for in Paragraph 14, the right and authority hereby granted to the Eastman Company being sole and exclusive, even as to the Patents Company, in the "territory aforesaid," but, except as hereinafter provided, strictly limited to the manufacture of such "Licensed Film" and such other film and the sale of such "Licensed Film" to the "Patents Company licensees," and the sale of such other film to said other persons, firms and corporations, and not including any right to the Eastman Company to manufacture, use or sell, in the "territory aforesaid," motion picture cameras embodying any invention covered by said reissued patent No. 12,037 and said letters patent Nos. 629,063 and 707,934, except that the Eastman Company may and is hereby given the right to use such motion picture cameras as it may desire for its own use, including film testing; and it being further provided that the right and authority hereby granted is personal to, and not assignable or otherwise transferable, in whole or in part, by the Eastman Company, which shall have no right to delegate any part thereof, or grant any right or privilege whatsoever thereunder or under either of said reissued letters patent No. 12,037 and 12,192, and letters patent Nos. 629,063 and 707,934, to any person, firm or corporation, unless the said Eastman Company should dispose of its entire motion picture film business to a single purchaser, in which case it may assign the right and authority hereby granted to it, together with all its rights under this agreement, to such purchaser, who shall then and thereafter be recognized and

dealt with by the Patents Company as the successor of the Eastman Company in the ownership of said right and authority and all other rights of the Eastman Company under this agreement and be entitled to all the benefits and privileges thereof; but before any such purchaser shall be recognized as such assignee and successor of the Eastman Company, said purchaser shall first agree in writing to accept, act under, and perform the covenants, stipulations and conditions of this agreement.

11. The Patents Company covenants and agrees to promptly notify the Eastman Company of the names and addresses of all the "Patents Company licensees" to whom it has granted or may hereafter grant licenses, and of the dates when their license agreements take effect, in order that the Eastman Company may be advised as to whom it is to sell the "Licensed Film" aforesaid, and also be able to compute the royalty referred to in Paragraph 6, and also covenants and agrees to promptly notify the Eastman Company of the revocation, cancellation or termination otherwise of any license agreements with the "Patents Company licensees" so that the Eastman Company may know that such license agreements have been terminated and discontinue the sale of such "Licensed Film" to such persons, firms and corporations named therein; it being understood that when any such license is so terminated, the licensee named therein shall cease to be one of the "Patents Company licensees" and that the Eastman Company shall, immediately upon being so notified of the fact, discontinue the sale of such "Licensed Film" to such licensee.

12. The Patents Company further authorizes and empowers the Eastman Company to charge to and collect from each of the "Patents Company licensees" to whom the Eastman Company supplies such "Licensed Film," and pay over to it (said Patents Company), in the manner hereinafter provided for, the royalties referred to in Paragraph 6 of this agreement.

13. The Patents Company, for itself, its successors, assigns and legal representatives, hereby releases, acquits and discharges the Eastman Company from any and all claims, demands and liability for profits and damages because of any infringement by the Eastman Company of said letters patent Nos. 629,063 and 707,934, or either of them, or the use of the inventions covered thereby prior to the date hereof.

14. The Eastman Company covenants and agrees that during the continuance of this agreement it will fill all orders for the "Licensed Film" aforesaid received by it from the "Patents Company licensees" with reasonable diligence and at the prices hereinafter provided for, if it is satisfied that they are and will be able to pay for the same, and will manufacture all such "Licensed Film" (having a nitrocellulose base), by its present secret processes and will embody therein its present secret compositions and patented invention, and that it will not, after the date hereof, and during the continuance of this agreement knowingly furnish or sell, in the "territory aforesaid," except for export, as hereinafter provided for, such sensitized film for the commercial production of negative and positive motion pictures to anyone but the "Patents Company licensees," except to the extent of two and one-half ($2\frac{1}{2}$) per cent. of the total amount of such "Licensed Film" supplied to the parties to the license agreements referred to in Paragraph 3 and prior to the date hereof and to the "Patents Company licensees" from the date hereof to June 20, 1909, and to said "Patents Company licensees" during any one year, counting from June 20, 1909, of the continuance of this agreement, which amount, of a width approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) the Eastman Company has furnished prior to the date hereof by and with the authority of the Edison Company, and from the date hereof the Eastman Company (by and with the consent and authority of the Patents Company, which it hereby grants) reserves the right to furnish or supply to persons not engaged in the business of manufacturing, selling, loaning, renting out or otherwise disposing of or dealing in motion pictures in the "territory aforesaid"; and with the further exception that the Eastman Company (by and with the consent and authority of the Patents Company, which it hereby grants) reserves the right to manufacture and sell such translucent or transparent sensitized film suitable for the commercial production of negative and positive motion pictures of a width not to exceed approximately one (1) inch in the "territory aforesaid" to persons, firms and corporations engaged in the business of manufacturing, selling, loaning, renting out or otherwise disposing of or dealing in motion pictures in the "territory aforesaid" upon condition, however, that in case any of them produces thereon any picture greater in size than approximately three-quarters ($\frac{3}{4}$) of an inch, on a line either parallel to or at

right angles to the edge of said film, and the Eastman Company has knowledge thereof, it will cease supplying such film to any such person, firm or corporation; and with the further express exception that the Eastman Company (by and with the consent and authority of the Patents Company, which it hereby grants) reserves the right to manufacture and sell, in the "territory aforesaid," such translucent or transparent sensitized film suitable for the commercial production of negative and positive motion pictures of any width to persons, firms and corporations (not "Patents Company licensees") now having an established business of manufacturing motion pictures in any country foreign to the United States (hereinafter, for brevity, called "foreign manufacturers"), who now manufacture negative or positive motion pictures in the United States, or who may, after the date of this agreement, commence the manufacture of negative and positive motion pictures in the United States.

15. The Eastman Company further covenants and agrees that it will mark conspicuously on each box or package containing such "Licensed Film," supplied by it to the "Patents Company licensees," the following words and figures—

"LICENSED FILM.

Licensed for Use Only by Licensees
of the

MOTION PICTURE PATENTS COMPANY."

16. It is mutually covenanted and agreed by and between the Patents Company and the Eastman Company that the maximum prices to be charged by the Eastman Company to the "Patents Company licensees" during the continuance of this agreement shall be three cents net per running foot for non-perforated "Licensed Film" (having a nitrocellulose base) approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) in width, and three and one-quarter ($3\frac{1}{4}$) cents net per running foot for perforated "Licensed Film" (having a nitrocellulose base) approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) in width (which prices shall be reduced or increased in proportion to the reduction or increase in width of narrower or wider "Licensed Film" than that approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) in width) plus the royalties referred to in Paragraph 6 of this agreement, which are to

be charged to the "Patents Company licensees" (except to the Edison Company); it being further covenanted and agreed, however, that the Eastman Company may reduce these prices of three (3) and three and one-quarter ($3\frac{1}{4}$) cents, respectively, if it should consider it commercially desirable to do so, but in no case shall it reduce the aforesaid royalties to be charged to and collected by it from the "Patents Company licensees" for the Patents Company, without the consent of the latter.

17. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company that the royalties referred to in Paragraph 6 of this agreement shall not be charged by the Eastman Company to the Edison Company, but that the maximum prices to be charged by the Eastman Company to said Edison Company shall be (unless reduced as provided for in Paragraph 18, when the Edison Company shall have the benefit of such reduced price) three (3) cents net per running foot for non-perforated "Licensed Film" (having a nitrocellulose base) approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) in width, and three and one-quarter ($3\frac{1}{4}$) cents net per running foot for perforated "Licensed Film" (having a nitrocellulose base) approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) in width, which prices shall be reduced or increased in proportion to the reduction or increase in width of narrower or wider "Licensed Film" than that approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) in width.

18. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company, that on each sale of "Licensed Film" to the "Patents Company licensees" (with the exception of the Edison Company), the Eastman Company shall, in the first instance, that is to say, when such "Licensed Film" approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) in width, is billed and shipped by it, charge the licensees with its price of three (3) cents or three and one-quarter ($3\frac{1}{4}$) cents, as the case may be, per running foot, plus the maximum royalty of five (5) mills per running foot, referred to in Paragraph 6 of this agreement, and on the expiration of each year, counting from June 20, 1909, shall adjust the royalty account of each licensee as to "Licensed Film" so billed and shipped to them and paid for by them, according to the royalty schedule set forth in said Paragraph 6, returning to the licensee any

amount such licensee may have overpaid, according to said schedule, and paying the balance to the Patents Company; and that on each sale of the other film of a width approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) in width to the amount of two and one-half ($2\frac{1}{2}$) per cent. of the total amount of "Licensed Film" supplied to the "Patents Company licensees" during any one year, counting from June 20, 1909, of the continuance of this agreement, as provided for in Paragraph 14, a royalty of one-half ($\frac{1}{2}$) cent per running foot, and which royalty the Eastman Company is to pay to the Patents Company on such film sold by it which is paid for by the purchaser thereof; and on each sale of said other film which is not to exceed approximately one inch (1 in.) in width, as provided for in Paragraph 14, the Eastman Company shall include in the price charged for such film to the purchaser thereof a royalty amounting to such proportion of one-half ($\frac{1}{2}$) cent per running foot as the width of such film bears to the film approximately one and three-eighths of an inch ($1\frac{3}{8}$ in.) in width, and which royalty the Eastman Company is to pay to the Patents Company on such film sold by it which is paid for by the purchaser thereof; such adjustment and payments to the licensee and the Patents Company to be made by the Eastman Company within thirty (30) days after the expiration of each such year, counting from June 20, 1909, provided, however, that if, at the time such payment of royalties is due from the Eastman Company to the Patents Company, the Edison Company should be indebted to the Eastman Company for "Licensed Film" or other supplies purchased from or furnished by the Eastman Company to the Edison Company during such year, the royalties shall be applied by it on account of such indebtedness, the balance, if any, remaining over such indebtedness, to be paid by the Eastman Company to the Patents Company, and a statement at the same time shall be given by the Eastman Company to the Patents Company of the amount of such indebtedness incurred after June 20, 1909, to which said royalties have been applied by it.

It is mutually covenanted and agreed by and between the Patents Company, the Edison Company and the Eastman Company, that all royalties heretofore paid to the Eastman Company by the licensees of the license agreements with the Edison Company referred to in Paragraph 3, between June 20, 1908, and the date hereof, under and in accordance with the aforesaid agreements

between the Edison Company and the Eastman Company, referred to in Paragraph 8, and all royalties that may be paid to the Eastman Company by the "Patents Company licensees" between the date hereof and June 20, 1909, shall be adjusted in the same manner as provided for in this paragraph (except that the royalties that may be paid by the licensees, George Kleine and the American Mutoscope & Biograph Company to the Eastman Company, for such period, shall be adjusted on the same basis as if each of said licensees had purchased "Licensed Film" from the Eastman Company at the same rate during the entire year preceding June 20, 1909, that such "Licensed Film" was billed and shipped to and paid for by each between the date hereof and June 20, 1909), and the amount which any such licensee may have overpaid, according to the royalty schedule in said Paragraph 6, shall be returned to the licensee so overpaying the same within thirty (30) days after June 20, 1909, and the balance remaining, together with the royalties that have been paid between June 20, 1908, and June 20, 1909, on each sale of film of a width approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) to the amount of two and one-half ($2\frac{1}{2}$) per cent. of the total amount of "Licensed Film" supplied to the licensees of the license agreements with the Edison Company referred to in Paragraph 3, and to the "Patents Company licensees," and together with the royalty on the sale of other film not to exceed three-quarters ($\frac{3}{4}$) of an inch in width prior to the date hereof under the said agreement between the Edison Company and the Eastman Company, referred to in Paragraph 8, and together with the royalty on the other film not to exceed approximately one (1) inch in width, received by it between the date hereof and June 20, 1909, as provided for in this paragraph, shall be paid to the Edison Company and the Patents Company as follows:

The said balance of all royalties received by it from the licensees of the license agreements with the Edison Company referred to in Paragraph 3, prior to the date hereof, and all the other aforesaid royalties received by it up to the date hereof, shall be paid to the Edison Company within thirty (30) days after June 20, 1909, provided, however, that if at that time the latter should be indebted to the former for "Licensed Film" or other supplies purchased from or furnished by the Eastman Company to the Edison Company such royalties then in the possession of the Eastman Company shall be

applied by it on account of such indebtedness, the balance, if any, remaining over such indebtedness, to be paid by the Eastman Company to the Edison Company; and the said balance of all royalties received by the Eastman Company from the "Patents Company licensees" between the date hereof and June 20, 1909, and all the other aforesaid royalties which have been received by it between said dates, shall be paid to the Patents Company within thirty (30) days after June 20, 1909, provided, however, that if at the time such payment of royalties is due from the Eastman Company to the Patents Company, the Edison Company should be indebted to the Eastman Company for "Licensed Film" or other supplies purchased from or furnished by the Eastman Company to the Edison Company between the date hereof and June 20, 1909, such royalties shall be applied by it on account of said indebtedness, the balance, if any, remaining over such indebtedness, to be paid by the Eastman Company to the Patents Company, and a statement at the same time shall be given by the Eastman Company to the Patents Company of the amount of such indebtedness incurred between the date hereof and June 20, 1909, to which said royalties have been applied by it.

19. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company that in case any "foreign manufacturer" aforesaid has heretofore established or shall hereafter establish a business of manufacturing and selling positive or negative motion pictures in the United States, and shall be licensed by the Patents Company, in and by a duly executed agreement in writing, the same in all substantial respects as the license agreements referred to in Paragraph 4, then, and from the time such license agreement goes into effect, and said Eastman Company is notified thereof in writing by the Patents Company, the Eastman Company shall charge to and collect from such licensee the royalties referred to in Paragraph 6 of this agreement and pay the same to the Patents Company in the same manner as that provided for in Paragraph 18 respecting the charging to and collecting from the "Patents Company licensees" of royalties upon "Licensed Film" and paying the same to the Patents Company. But no royalty shall be charged to or collected from any "foreign manufacturers" for sensitized film sold to them by the Eastman Company unless and until they have been licensed by the Patents Company and the Eastman Company notified thereof as aforesaid.

20. The Eastman Company further covenants and agrees that it will keep an accurate account of all "Licensed Film" supplied by it to the "Patents Company licensees" and other film supplied to the other persons, firms and corporations as provided for in Paragraphs 14 and 18 (with the exception of the translucent or transparent sensitized film supplied to the "foreign manufacturers" unless and until such "foreign manufacturers" are licensed by the Patents Company and the Eastman Company is duly notified thereof as provided for in Paragraph 19) with the names and addresses of the purchasers and the date and amount of each purchase, and that with each yearly payment of royalty as hereinbefore provided for it will furnish the Patents Company with a statement in writing, verified by an officer of the Eastman Company having knowledge of the facts therein set forth (if the Patents Company shall so request) showing the total amounts in running feet of such "Licensed Film" and other film, with the exceptions aforesaid, shipped by it to all the "Patents Company licensees" and such other persons, firms and corporations, and paid for by them, during the preceding year; but it is further mutually covenanted and agreed that the dealings between the Eastman Company and the "Patents Company licensees" shall—from the date hereof, and the dealings prior to the date hereof between the Eastman Company and such of said licensees who are also licensees of the license agreements with the Edison Company referred to in Paragraph 3, insofar as the number of running feet or anything that would tend to disclose the number of running feet shipped to or ordered by them, is concerned—be a matter of confidence, even as to the exclusion of the Patents Company, between such licensees and such other person, firm or corporation, as aforesaid, and the Eastman Company, and the latter shall not be at liberty to disclose, directly or indirectly to the Patents Company or to any of the "Patents Company licensees" the number of such running feet of "Licensed Film" and such other film as aforesaid, so ordered by or shipped to any of the "Patents Company licensees," or such other persons, firms and corporations as provided for in Paragraphs 14 and 18; and it is therefore mutually covenanted and agreed that all statements and payments of royalty from the Eastman Company to the Patents Company shall be in gross, without specifying the number of running feet of "Licensed Film" or such other film, either by a statement of the number of running feet or

the amount of royalties charged to and collected for or on account thereof.

21. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company, that if, notwithstanding the statements made by the Eastman Company to the Patents Company, the latter should be desirous of satisfying itself by having an examination made of the books of account of the Eastman Company as to the accuracy of the statements so made to it by the Eastman Company, it may have such examination made of the books of account of the Eastman Company (so far as the same may relate to the sale by it of "Licensed Film" to the "Patents Company licensees" and such other film (with the exceptions hereinbefore provided for) to other persons, firms and corporations as provided for in Paragraph 14 and the "Patents Company licensees") by the public accountants, Price, Waterhouse & Company, of New York, N. Y., or any other public accountants that may hereafter be agreed upon by the Patents Company and the Eastman Company.

22. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company that nothing herein contained shall interfere with or prevent the manufacture, sale or shipment by the Eastman Company of sensitized film suitable for the commercial production of negative or positive motion pictures, for export, without the payment of any royalty or other consideration therefor to the Patents Company, when such film, addressed to the foreign purchaser, agent or consignee, is delivered to a vessel or to a transportation company for transportation to a foreign country, and not otherwise. The Eastman Company covenants and agrees that it will use all reasonable efforts to prevent the reimportation of any such film sold for export, into the United States in an unexposed condition, and that it will not sell any such film for export for the purpose of reimporting it into the United States in an unexposed condition.

23. The Patents Company further covenants and agrees that it will, during the continuance of this agreement, license such a number of persons, firms and corporations, under said letters patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, to make and sell exhibiting or projecting machines containing the inventions described and claimed in the same, capable of exhibiting or project-

ing motion pictures on film of a width greater than approximately one (1) inch, and also such machines as will not be capable of exhibiting or projecting motion pictures on film of a greater width than approximately one (1) inch, as will be able to supply the demand for the same.

The Patents Company further covenants and agrees that it will not charge any such person, firm or corporation manufacturing and selling any such machine capable of exhibiting or projecting motion pictures on film of a greater width than approximately one (1) inch, more than Five (5) Dollars as a license fee for the manufacture and sale of each such exhibiting or projecting machine, and that it will impose no other conditions or restrictions upon the manufacture and sale of any such machines than that the sale and purchase thereof gives only the right to use them solely for exhibiting or projecting motion pictures containing the inventions of said reissued letters patent No. 12,192, leased by one of the "Patents Company licensees" and upon payment of a royalty or rental to the Patents Company while in use, to be fixed by it, and while the letters patent under which they are licensed are owned or controlled by the Patents Company, and that there shall be attached to each such machine a plate, in a conspicuous place, showing plainly, not only the dates of the letters patent under which it is licensed, but also the aforesaid conditions and restrictions, and that such plate is not to be removed therefrom.

The Patents Company further covenants and agrees that it will not charge any person, firm or corporation making or selling any such machine capable of exhibiting or projecting motion pictures on film not wider than approximately one (1) inch, a license fee of more than Three (3) per cent. of the net retail selling price of each such machine, and will impose no other conditions or restrictions upon the manufacture and sale of any such machines than that they be used solely for exhibiting or projecting motion pictures on film not wider than approximately one (1) inch in places where no admission fee is charged, and that there shall be attached to each such machine a plate, in a conspicuous place, showing plainly, not only the dates of the letters patent under which it is licensed, but also the aforesaid conditions and restrictions, and that such plate is not to be removed therefrom.

The Patents Company further covenants and agrees, however, that it will grant licenses to such a number of persons, firms and corporations to manufacture and sell exhibiting or projecting machines containing the inventions described and claimed in the aforesaid letters patent now owned by the Patents Company, capable of exhibiting or projecting, by reflected light, motion pictures on film of any width, but not capable of exhibiting or projecting the same by transmitted light, as will be able to supply the demand for the same, upon the payment of a royalty or license fee not to exceed three (3) per cent. of the net retail selling price of each such machine, and that it will impose no other condition or restriction upon the manufacture and sale of any such machines than that they be used solely in places where no admission fee is charged, which condition shall appear on a plate to be attached to each such machine; and also that it will grant licenses to such persons, firms and corporations to manufacture and sell all such exhibiting or projecting machines referred to in this Paragraph 23, containing the inventions described and claimed in any letters patent that the Patents Company may hereafter own or control, subject to similar conditions or restrictions and upon the payment of additional license fees or royalties to be fixed by the Patents Company, the royalty or license fee, and all the conditions and restrictions of all the licenses referred to in this Paragraph 23, to be the same for all such licensees, except that such licenses may be granted to said American Mutoscope & Biograph Company and the said Armat Motion Picture Company without payment of royalty or license fees for the manufacture or sale of any such exhibiting or projecting machines; and to said Vitagraph Company of America upon its paying only four-fifths ($\frac{4}{5}$ ths) of the royalties or license fees provided for in this paragraph, on such machines, and to the Edison Company and said firm of Marvin and Casler, without paying any royalties or license fees on such machines sold *bona fide* for export.

The Patents Company further covenants and agrees that it will grant a license to the Eastman Company, upon its request, to manufacture and sell exhibiting or projecting machines containing the inventions described and claimed in the aforesaid letters patent now owned by the Patents Company capable of exhibiting or projecting by either transmitted or reflected light motion pictures on film not wider than approximately one (1) inch, upon the payment of a

royalty or license fee not to exceed three (3) per cent. of the net retail selling price of each such machine, and that it will impose no other conditions or restrictions upon the manufacture and sale of any such machines than that they be used solely in places where no admission fee is charged, and that there be attached to each such machine a plate, in a conspicuous place, showing plainly, not only the dates of the letters patent under which it is licensed, but also said condition or restriction, and that such plate is not to be removed therefrom; and that it will also grant a license to the Eastman Company to manufacture and sell such exhibiting or projecting machines containing the inventions described and claimed in any letters patent that the Patents Company may hereafter own or control, subject to similar conditions and restrictions, and upon the payment of additional license fees or royalties to be fixed by the Patents Company, the royalty or license fees and all the conditions and restrictions of all the licenses that may be granted by the Patents Company to manufacture and sell such exhibiting or projecting machines to be the same for the Eastman Company and all such licensees with the exceptions hereinbefore referred to in this paragraph.

24. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company that the Patents Company shall, within fifteen (15) days after June 20, 1909, pay to the Eastman Company twenty-four (24) per cent. of the gross royalties or rents collected by or paid to said Patents Company prior to June 20, 1909, for the use of exhibiting or projecting machines capable of exhibiting or projecting motion pictures on translucent or transparent film of a greater width than approximately one (1) inch licensed by it, containing any of the inventions described and claimed in the letters patent referred to in Paragraph 4. and in any other letters patent hereafter owned or controlled by the Patents Company, and also twenty-four (24) per cent. of the gross royalties or rents collected by or paid to the Patents Company for the use of such machines during each year, counting from June 20, 1909, and within fifteen (15) days after the end of each such year, which shall be apportioned and paid to the "Patents Company licensees" as follows:

Each of such licensees shall have apportioned and paid to it by the Eastman Company, after each installment of said twenty-

four (24) per cent. of said gross royalties is paid to the Eastman Company by the Patents Company, such a share thereof as the number of thousand feet of "Licensed Film" of a greater width than approximately one (1) inch ordered by and shipped to such licensee, added to the number of thousand running feet of film of a greater width than approximately one (1) inch, having positive motion pictures thereon, imported by such licensee (if such licensee has imported the same) during the period for which such installment is paid to the Eastman Company, bears to the total number of thousand running feet of such "Licensed Film" ordered by and shipped to all of the "Patents Company licensees," added to the total number of running feet of film of a greater width than approximately one (1) inch having positive motion pictures thereon imported by all such licensees, during the period for which said installment is paid to the Eastman Company, after deducting the amount of such "Licensed Film" of a greater width than approximately one (1) inch ordered by and shipped to the Edison Company and the American Mutoscope & Biograph Company during the period for which such installment is paid to the Eastman Company, which two latter Companies are not to share in or be paid any part of said twenty-four (24) per cent. of the gross royalties or rents; that such apportionment shall be made as aforesaid through Price, Waterhouse & Company, chartered accountants, or through some other accountants that may hereafter be mutually agreed upon by and between the Eastman Company and the Patents Company, and the "Patents Company licensees," and the Eastman Company shall pay to the "Patents Company licensees" their respective shares of each installment of said twenty-four (24) per cent. of said gross royalties or rents provided for in this paragraph after receiving the same, and after the same have been so apportioned, without disclosing, directly or indirectly, to the Patents Company or to any of the "Patents Company licensees" the share apportioned or paid to any of such licensees; that the Patents Company shall furnish to the Eastman Company the number of thousand running feet of film of a greater width than approximately one (1) inch having positive motion pictures thereon imported by all the "Patents Company licensees" during the period for which each said installment is paid to the Eastman Company, in order that the said apportionment may be made.

25. It is mutually covenanted and agreed by and between the Edison Company and the Eastman Company that the two agreements in writing entered into by and between them on or about the 26th day of May, 1908, referred to in Paragraph 8, are hereby cancelled and terminated, and each of the said parties thereto hereby releases and discharges the other party thereto of and from all claims and demands that it has or may have against the other under or rising out of each of said two agreements in writing.

26. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company that this agreement shall take effect January 1st, 1909, and unless sooner terminated as hereinafter provided, shall continue until the expiration, on August 31, 1914, of the aforesaid re-issued letters patent No. 12,037 and 12,192; it being provided, however, that either party hereto shall have the right at any time to terminate this agreement by giving sixty (60) days' notice in writing to the other party of its election so to do. Such termination of this agreement, however, shall not prejudice either party in the recovery of damages because of any breach, violation or non-performance thereof by the other.

27. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company that in case the Patents Company should become bankrupt, cease doing business or should be dissolved, voluntarily or otherwise, or its charter should be repealed, the Patents Company shall immediately give notice of the same to the Eastman Company, and upon the happening of either of such events, this agreement shall be deemed terminated and at an end by the parties hereto; and that after notice of termination of this agreement by either party, as provided for in Paragraph 26, or this paragraph, and after it is terminated, no matter what the cause or manner of termination may be, neither this agreement, nor the fact that the Eastman Company has entered into or acted under it shall be used in any manner, directly or indirectly, by or for the Patents Company, its successors, assigns or legal representatives, or by or for others, against the Eastman Company, or its successors or legal representatives, in any litigation, controversy or proceeding involving it or them, or any other persons, firms or corporations, or in any other way—it being understood and agreed that upon such termination the positions and rights of the Patents Company and the Eastman Company shall be the same as if this agreement had not been

made; provided, however, that the rights of neither party shall be prejudiced by such termination in the recovery of damages for any breach or other violation of this agreement by the other occurring prior to such termination.

28. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company that all notices provided for in this agreement shall be in writing and shall be given by delivering the same to an officer of the Patents Company or the Eastman Company, as the case may be, or by depositing such notice, postage prepaid, in any Post Office of the United States in a sealed envelope, directed to the Patents Company or the Eastman Company, as the case may be, at its last known Post Office address, to be forwarded by registered mail.

29. It is mutually covenanted and agreed by and between the Patents Company and the Eastman Company that this agreement shall bind and inure to the benefit of the Patents Company, its successors, assigns and legal representatives, and the Eastman Company and its successors as defined in Paragraph 10 of this agreement.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENTS CO.,

By Frank L. Dyer,
President.

Attest:

George F. Scull,
(SEAL) Secretary.

EDISON MANUFACTURING CO.,

By Frank L. Dyer,
Vice-President.

EASTMAN KODAK CO.,

By Geo. Eastman,
(SEAL) Treasurer.

35.

LICENSE AGREEMENT UNDER THE EXHIBITING MACHINE PATENTS, BETWEEN MOTION PICTURE PATENTS COMPANY AND ARMAT MOVING PICTURE COMPANY.

(a) This agreement made this 7th day of January, 1909, by and between the Motion Picture Patents Company, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Jersey City, in said State, party of the first part (hereinafter referred to as the "Licensor"), and Armat Moving Picture Company, a corporation organized and existing under the laws of the State of West Virginia, and having an office at Washington, D. C., party of the second part (hereinafter referred to as the "Licensee");

(b) Whereas the Licensor represents that it is the owner of the entire right, title, and interest in and to letters patent of the United States:

No. 578185, dated March 2, 1897, for vitascope, granted to Thomas Armat;

No. 580749, dated April 13, 1897, for vitascope, granted to Thomas Armat;

No. 586953, dated July 20, 1897, for phantoscope, granted to Charles F. Jenkins and Thomas Armat;

No. 588916, dated August 24, 1897, for kinetoscope, granted to Charles M. Campbell as the assignee of Willard G. Steward and Ellis F. Frost;

No. 673329, dated April 30, 1901, for kinetoscope, granted to the American Vitagraph Company as the assignee of Albert E. Smith;

No. 673992, dated May 14, 1901, for vitascope, granted to Thomas Armat;

No. 707934, dated August 26, 1902, for projecting kinetoscope, granted to E. & H. T. Anthony & Co., as assignees of Woodville Latham;

No. 722382, dated March 10, 1903, for animated picture apparatus, granted to American Mutoscope & Biograph Company as the assignee of John A. Pross;

No. 744251, dated November 17, 1903, for kinetoscope, granted to Albert E. Smith;

No. 770937, dated September 27, 1904, for kinetoscope, granted the Vitagraph Company of America as the assignee of Albert E. Smith;

No. 771280, dated October 4, 1904, for winding reel, granted Albert E. Smith;

No. 785205, dated March 21, 1905, for flame-shield for kinetoscopes, granted the Vitagraph Company of America as the assignee of William Ellwood; and

No. 785237, dated March 21, 1905, for film-holder for kinetoscopes, granted the Vitagraph Company of America as the assignee of Albert E. Smith;

all of which said letters patent relate to improvements in the motion-picture art, and that there are no outstanding licenses, shop rights, or other rights under said letters patent, or either of them, except a license for parlor kinetoscopes, granted the Karmata Company, of Washington, D. C., under Letters Patent Nos. 578185, 580749, 586953, and 673992, and certain alleged licenses under U. S. Letters Patent No. 586953, which are in dispute, claimed to be owned by the Edison Company and the American Graphophone Company, of Washington, D. C., and S. Lubin, of Philadelphia, Pennsylvania; and excepting a license granted by the American Mutoscope & Biograph Company to the firm of Marvin and Casler to manufacture and sell cameras and exhibiting or projecting machines under letters patent owned by it (some of which are hereinbefore referred to) for use in foreign countries only and excepting certain licenses granted by the Licensee to the American Mutoscope & Biograph Company under Letters Patent Nos. 578185, 580749, 586953, 588916, and 673992, and by the American Mutoscope & Biograph Company to the Licensee under patents Nos. 707934 and 722382, which licenses are, however, by agreement between said parties, suspended and are not to be acted upon until the Licensor becomes bankrupt, ceases doing business or shall be dissolved voluntarily or otherwise, or its charter shall be repealed; and

(c) Whereas the Licensor represents further that it is the owner of the entire right, title, and interest in and to reissued Letters Patent of the United States numbered 12192, dated January 12, 1904, the original letters patent of which were numbered 589168, and dated August 31, 1897, and that it has granted licenses under

the said reissued letters patent only to the following-named persons, firms or corporations:

American Mutoscope & Biograph Company of New York City;

Edison Manufacturing Company of Orange, N. J.;

Essanay Company of Chicago, Illinois;

Kalem Company of New York City;

George Kleine of Chicago, Illinois;

Lubin Manufacturing Company of Philadelphia, Pa.;

Pathe Freres of New York City;

Selig Polyscope Company of Chicago, Illinois;

The Vitagraph Company of America of New York City;

and that all of the said persons, firms, or corporations have covenanted and agreed to lease only and not sell in the United States, its Territories and possessions except its insular possessions and Alaska (hereinafter referred to as the "lease territory aforesaid"), motion picture films manufactured or imported by them, of a width greater than approximately one inch (1"), and under the condition and restriction that the said films shall be used only on exhibition or projecting machines licensed by the Licensor under United States letters patent owned by the Licensor; and

(d) Whereas, the Licensee is engaged in the manufacture and sale of motion picture exhibiting and projecting machines, and relying upon the representation of the Licensor and induced thereby, desires to obtain from the Licensor a license under the said United States Letters Patent;

(e) Now, therefore, the parties hereto, for and in consideration of the sum of one dollar to each in hand paid by the other, and for other good and valuable considerations, from each to the other moving, receipt of all of which is hereby acknowledged, have agreed as follows:

(1) The Licensor hereby grants to the Licensee for the term and subject to the covenants, conditions, and stipulations hereinafter expressed, the right and license for the United States, its territories and possessions, to manufacture and sell, motion picture exhibiting or projecting machines embodying one or more of the inventions described and claimed in the said United States Letters Patent Nos. 578185, 580749, 586953, 588916, 673329, 673992, 707934, 722282, 744251, 770937, 771280, 785205, and 785237. The license hereby granted is personal to the Licensee, and in the event of the

permanent discontinuance or retirement from business of the Licensee for a period of six consecutive months, the license hereby granted shall be immediately terminated.

(2) The Licensor, for itself, its successors, assigns, and legal representatives, hereby releases, acquits, and discharges the Licensee from any and all claims, demands, and liability for profits and damages because of any infringement by the Licensee of one or more of the said United States Letters Patent Nos. 578185, 580749, 586953, 588916, 673329, 673992, 707934, 722382, 744251, 770937, 771280, 785205, and 785237, or use by the Licensee of the inventions covered thereby.

(3) The Licensee hereby recognizes and admits the validity of each and all of the said United States Letters Patent Nos. 578185, 580749, 586953, 588916, 673329, 673992, 707934, 722382, 744251, 770937, 771280, 785205, and 785237, and the Licensee agrees not to contest or question the same during the continuance of this agreement.

(4) The Licensee covenants and agrees that on all motion picture exhibiting or projecting machines containing one or more of the inventions described and claimed in the said United States Letters Patent Nos. 673329, 744251, 770937, 771280, 785205, and 785237, made in the United States, its Territories and possessions, by the Licensee, and sold after the license hereby granted shall take effect and during the continuance of this agreement, the Licensee will pay royalties as follows:

On each such machine capable of exhibiting or projecting by transmitted light, motion pictures on film of a width greater than approximately one inch (1"), a royalty of one dollar (\$1).

On each such machine not capable of exhibiting or projecting by transmitted light, motion pictures on film of a width greater than approximately one inch (1"), a royalty of three-fifths ($3/5$) of one (1) per cent. of the net retail selling price of such machines.

On each such machine capable of exhibiting or projecting by reflected light motion pictures on film of any width, but not capable of exhibiting or projecting the same by transmitted light, a royalty of three-fifths ($3/5$) of one (1) per cent. of the net retail selling price of such machine.

It is understood and agreed by and between the Licensor and the Licensee that the expression "motion picture exhibiting or pro-

jecting machine," as used hereinbefore or hereinafter, includes motion-picture mechanisms or "heads" for such exhibiting or projecting machines, but not any repair parts or portions of such motion-picture mechanisms or "heads."

The Licensee further covenants and agrees that the Licensee will, within fifteen (15) days after the last days of the months of November, February, May, and August in each year, after this agreement takes effect and during its continuance, submit a statement in writing signed by the proper officer of the Licensee, and sworn to if requested by the Licensor, showing the number of exhibiting or projecting machines of each of the classes provided for in this paragraph, embodying one or more of the inventions described and claimed in the said United States Letters Patent Nos. 673329, 744251, 770937, 771280, 785205, and 785237, sold by the Licensee during the three months ending with the last days of the said months, and at the same time pay the royalties due thereon. The first such statement and payment, however, shall be only for the period between February 1, 1909, and February 28, 1909. The Licensee further agrees to keep accurate books of account and to permit the Licensor to determine through Messrs. Price, Waterhouse & Company, or any other reputable chartered accountants to be agreed upon by the parties hereto, the number of such exhibiting or projecting machines sold by the Licensee while this agreement is in effect, if the Licensor should so desire.

(5) The Licensee further covenants and agrees that each and every motion picture exhibiting or projecting machine capable of exhibiting or projecting by transmitted light, motion pictures on a film of a width greater than approximately one inch (1"), and embodying one or more of the inventions described and claimed in the said United States Letters Patent Nos. 578185, 580749, 586953, 588916, 673329, 673992, 707934, 722382, 744251, 770937, 771280, 785205, and 785237 made in the United States, its territories or possessions by the Licensee, shall be sold by the Licensee, except when sold for export, under the restriction and condition that such exhibiting or projecting machines, shall be used solely for exhibiting or projecting motion pictures containing the invention of reissued Letters Patent No. 12192, leased by a Licensee of the Licensor while it owns said patents, and upon other terms to be fixed by the Licensor and complied with by the user while the said machine is in use and

while the Licensor owns said patents (which other terms shall only be the payment of a royalty or rental to the Licensor while in use). The Licensor further covenants and agrees that the Licensee will attach in a conspicuous place to each and every such exhibiting or projecting machine of the Licensee's manufacture, sold by the Licensee, except for export, after the date hereof, a plate showing plainly not only the dates of the letters patent under which the said machine is licensed, but also the following words and figures:

Serial No:

Patented.

No.

The sale and purchase of this machine gives only the right to use it solely with moving pictures containing the invention of re-issued patent No. 12192, leased by a licensee of the Motion Picture Patents Company, the owner of the above patents and reissued patent, while it owns said patents, and upon other terms to be fixed by the Motion Picture Patents Company and complied with by the user while it is in use and while the Motion Picture Patents Company owns said patents. The removal or defacement of this plate terminates the right to use this machine.

(6) The Licensee further covenants and agrees that each and every motion picture exhibiting or projecting machine not capable of exhibiting or projecting by transmitted light, motion pictures on a film of a width greater than approximately one inch (1"), or capable of exhibiting or projecting motion pictures on film of any width, but only with reflected light, and embodying one or more of the inventions described and claimed in the said Letters Patent Nos. 578185, 580749, 586953, 588916, 673329, 673992, 707934, 722382, 744251, 770937, 771280, 785205, and 785237; and made in the United States, its Territories and possessions by the Licensee, shall be sold by the Licensee, except when sold for export, under the restrictions and conditions that the said exhibiting or projecting machine shall be used in exhibiting or projecting motion pictures only in places to which no admission fee is charged. The Licensee further covenants and agrees that the Licensee will attach in a conspicuous place to each and every such exhibiting or projecting machine of the Licensee's manufacture, sold by the Licensee, except for export, after the date hereof, a plate showing plainly not only the dates of the Letters Patent under which the said machine

is licensed, but also the following words and figures:

Patented

No.

The sale and purchase of this machine gives only the right to use it so long as this plate is not removed or defaced and in places to which no admission fee is charged.

(7) The Licensee further covenants and agrees that to each and every motion-picture exhibiting or projecting machine of any kind, embodying one or more of the inventions described and claimed in the said United States Letters Patent Nos. 578185, 580749, 586953, 588916, 673329, 673992, 707934, 722382, 744251, 770937, 771280, 785205, and 785237, and made in the United States, its Territories and possessions by the Licensee, when sold bona fide for export, there shall be attached a plate showing plainly not only the dates of the letters patent under which the said machine is licensed, but also the following words and figures:

Patented

No.

Not licensed for use in the United States, its Territories and possessions (except its insular possessions and Alaska).

It is understood by and between the parties hereto that by "export sales" is meant all sales for delivery outside of the "lease territory aforesaid," when the machine, addressed to the purchaser, agent, or consignee, is delivered to the vessel or to a transportation company for transportation outside of the said "lease territory aforesaid," and not otherwise.

(8) The Licensee further covenants and agrees that the Licensee will not, during the continuance of this agreement, make or sell repair parts for motion-picture exhibiting or projecting machines which have been manufactured or imported and sold by any other person, firm, or corporation, who or which is licensed by the Licensor to manufacture or import and sell motion-picture exhibiting or projecting machines under any or all of the said United States Letters patent Nos. 578185, 580749, 586953, 588916, 673329, 673992, 707934, 722382, 744251, 770937, 771280, 785205, and 785,237, when such repair parts constitute any part of any invention described and claimed in the said United States letters patent.

(9) The Licensee further covenants and agrees that the Licensee will not sell any exhibiting or projecting machine which the Licensee is hereby licensed to manufacture at less than the Licensee's

list price for such machine, except to jobbers, and to other persons, firms, and corporations for the purpose of resale, and that the Licensee will require such jobbers and other persons, firms, and corporations to sell such machines at not less than the Licensee's list price for such machine. Nothing in this paragraph shall prohibit, however, the allowance of two per cent (2%) discount from list price for ten days cash payments.

(10) The Licensee further covenants and agrees that the Licensee will not sell, after May 1, 1909, during the continuance of this agreement, any exhibiting or projecting machine which the Licensee is hereby licensed to manufacture, capable of exhibiting or projecting by transmitted light, motion pictures on film of a width greater than approximately one inch (1"), at a less list price than one hundred and fifty dollars (\$150), which list price may include the machine head, stereopticon attachment, film magazine, lamp house, arc lamp, rheostat, switch and switch box, and attaching cords, except, however, that for the last five named items may be substituted a gas burner and gas making outfit. It is further understood and agreed that such complete machines may be sold between February 1, 1909, and May 1, 1909, at a less list price than one hundred and fifty dollars (\$150), but only to persons, firms, or corporations not engaged in the business of renting motion picture films, and not for use in any permanent or fixed place of exhibition.

(11) It is further mutually covenanted and agreed by and between the Licensor and Licensee that the Licensor may grant other licenses to manufacture or import and sell motion picture exhibiting or projecting machines under any or all of the said United States Letters Patent Nos. 578185, 580749, 586953, 588916, 673329, 673992, 707,934, 722382, 744251, 770937, 771280, 785205, and 785237, said licenses to be in writing, and not to be granted or continued under terms, conditions, or stipulations which are in any respect more favorable to the Licensees named therein than those set forth in this agreement (except to the American Mutoscope & Biograph Company of New York City, which is to pay no royalties on any exhibiting or projecting machines embodying any or all of the inventions described and claimed in the aforesaid Letters Patent Nos. 578185, 580749, 586953, 588916, 673992, 707934, and 722382, and to the Edison Manufacturing Company, of Orange, New Jersey, and the firm of Marvin and Casler, of Canastota, New York, neither of

which is to pay any royalties on any exhibiting or projecting machines embodying any or all of the inventions described and claimed in the aforesaid Letters Patent Nos. 578185, 580749, 586953, 588916, 673992, 767934, and 722382, when such exhibiting or projecting machines are sold bona fide for export, the covenants and conditions in the licenses to each and all of the said firms or corporations to be otherwise like those set forth in this agreement).

(12) It is mutually covenanted and agreed by and between the Licensor and Licensee that, unless sooner terminated, as hereinbefore and hereinafter provided, this agreement, and the license granted thereby, shall take effect on February 1, 1909, and shall continue until June 20, 1910, but that the Licensee may renew this agreement and license thereafter from year to year upon the same terms, conditions, and stipulations as herein provided, by giving notice to the Licensor on or before the 20th day of March in each year, beginning with the year 1910, of the Licensee's election to so renew this agreement and license, and upon the giving of each such notice this agreement and the license thereby granted shall be considered and treated by the Licensor and Licensee as renewed for the period of one year, beginning June 20th of the year following such notice, and such notice and renewal may be given and made by the Licensee during the life or lives of each or all of the patents under which the Licensee is hereby licensed.

In case, however, that the Licensor should become bankrupt, cease doing business, or should be dissolved, voluntarily or otherwise, or its charter should be repealed, then, on the happening of either of such events, this agreement and the agreements made with the additional Licensees hereinbefore provided for, that are then in force, shall forthwith terminate and be at an end.

(13) It is further mutually covenanted and agreed by and between the Licensor and Licensee, that if, during said original term or during any such renewal period, either party should, knowingly or through gross neglect or carelessness, be guilty of a breach, violation, or non-performance of its covenants, conditions, and stipulations resulting in substantial injury to the other party, and should, for the period of forty (40) days after notice thereof from the other party persist therein or fail to correct, repair, or remedy the same, then and in such case the party aggrieved may terminate this agreement by giving notice in writing to the guilty party of its intention

so to do. It is, however, mutually covenanted and agreed by and between the Licensor and Licensee that if the guilty party should correct, repair, or remedy such breach, violation, or non-performance of its covenants, conditions, and stipulations within the said period of forty (40) days after such notice, and should thereafter knowingly or through gross neglect or carelessness be guilty of a second breach, violation, or non-performance of its covenants, conditions, and stipulations, resulting in substantial injury to the other party, then and in such case, the party aggrieved may terminate this agreement by giving thirty (30) days' notice in writing to the guilty party of its intention so to do. Such termination of the agreement, however, shall not prejudice either party hereto in the recovery of damages because of any such breach, violation, or non-performance by the other party hereto.

(14) All notices provided for in this agreement, shall be in writing and shall be given by delivering the same to the Licensor or Licensee, as the case may be, or by depositing such notices, postage prepaid, in any post office of the United States, in a sealed envelope directed to the Licensor or Licensee, as the case may be, at its last known post-office address, to be forwarded by registered mail.

(15) It is mutually covenanted and agreed by and between the Licensor and Licensee that after notice of the termination of this agreement and the license granted thereby by either party, as provided for in paragraph 13 of this agreement, and after the same have been terminated, no matter what the cause or manner of termination may be, neither this license agreement nor the fact that the Licensee has entered into or acted under it, shall be used in any manner, directly or indirectly, by or for the Licensor, its successors, assigns or legal representatives or by or for others with its or their consent or permission, against the Licensee, or the Licensee's successors or legal representatives, in any litigation, controversy or proceeding involving the Licensee, or them or any other persons, firms or corporations, or in any other way, it being understood and agreed that upon such termination the positions and rights of the Licensor and Licensee shall be the same as if this agreement had not been made; *provided, however*, that the rights of neither party shall be prejudiced by such termination in the recovery of damages for any breach or other violation of this agreement by the other occurring prior to such termination.

In witness whereof, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform those acts, the day and year first above written.

MOTION PICTURE PATENTS COMPANY,
By FRANK L. DYER, President.

ARMAT MOVING PICTURE COMPANY,
By THOS. ARMAT, President.

Attest:

George F. Scull, Secretary.

Attest:

Louis H. Stabler, Secretary.

36, 37, 38, 39, 40, 41, 42, 43, 44.

The nine License Agreements under the Projecting machine Patents
between

Motion Picture Patents Company
and

Edengraph Manufacturing Company,
Edison Manufacturing Company,
Enterprise Optical Manufacturing Company,
Lubin Manufacturing Company,
Nicholas Power (a corporation),
Eberhard Schneider (expired),
Selig Polyscope Company,
Spoor & Company, and
The Vitagraph Company of America,
all dated January 7, 1909,

are identical in terms with the aforesaid License Agreement
between

Motion Picture Patents Company
and

Armat Moving Picture Company, ante p. 279.

45.

SUPPLEMENTAL
LICENSE AGREEMENT

(1) THIS AGREEMENT made this 26th day of January, 1909, by and between the MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey and having an office at Jersey City, in said State, party of the first part (hereinafter referred to as the Licensor); and AMERICAN MUTOSCOPE & BIOGRAPH COMPANY, a corporation organized and existing under the laws of the State of New Jersey, party of the second part (hereinafter referred to as the Licensee); WITNESSETH THAT:—

(2) WHEREAS, an agreement in writing was entered into on the 18th day of December, 1908, by and between the Licensor and the Licensee; and

(3) WHEREAS, the Licensor and the Licensee are desirous of modifying and altering the said agreement of December 18, 1908, in certain particulars:

NOW THIS AGREEMENT WITNESSETH:

(4) That the Licensor and the Licensee, in consideration of the sum of One (\$1.00) Dollar, each to the other in hand paid, the receipt of which is hereby acknowledged, and of the faithful performance of the covenants and agreements hereinafter entered into, mutually covenant and agree to, and do hereby modify and alter said agreement as follows:

(5) By cancelling, and they do hereby cancel, paragraph 7 of said agreement, and do hereby substitute therefor the following:

(7) The Licensee further covenants and agrees to mark each and every camera which it may make or use under this agreement embodying the inventions of reissued letters patent No. 12,037, letters patent Nos. 629,063 and 707,934, or either of them, with the word "Patented" followed by the dates of grant of all of the said letters patent, the inventions claimed in which are embodied in the said camera or apparatus, and to photographically print its trademark in each picture of at least one scene of each subject of positive motion pictures on film of a greater width than approximately one (1) inch, manufactured by the Licensee and leased by it in the "lease territory aforesaid," and to mark conspicuously on the labels which shall be

placed on boxes or packages containing positive motion pictures on film of a greater width than approximately one (1) inch, manufactured by the Licensee in the "territory aforesaid," with the following words and figures:—

LICENSED MOTION PICTURE

Manufactured and Leased by and Property of
AMERICAN MUTOSCOPE & BIOGRAPH COMPANY
(Patented in the United States August 31, 1897; reissued January 12, 1904.)

The enclosed motion picture is leased only and upon the following terms and conditions:

1. That the lessee shall not sell or otherwise dispose of the same outright, but shall have only the right to sublet or use such motion picture.

2. That the lessee shall permit such motion picture to be exhibited only on motion picture projecting machines licensed by the Motion Picture Patents Company of New Jersey under its patents covering such projecting machines.

3. That the lessee shall not have the right to sublet such motion picture until such lessee has entered into an agreement in writing with the Motion Picture Patents Company containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect.

4. That the lessee or user thereof shall not make or permit others to make any reproduction, commonly known as a "dupe," of such motion picture or any other motion pictures containing the inventions of the above reissued patent.

5. That the lessee or user thereof shall not remove the trade-mark or trade-name or title therefrom.

6. That the violation of any of the foregoing conditions, including the terms and conditions of the agreement referred to in 3, entitles the lessor to immediate possession of this motion picture without liability for any price which the lessee or the person in whose possession it is found, may have paid therefor.

The Licensor further covenants and agrees to use all possible diligence in licensing exhibiting or projecting machines now in use in the "lease territory aforesaid" embodying any or all of the inventions described and claimed in the said letters patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992,

707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and that royalties or rents from the users of such exhibiting or projecting machines will not be exacted, directly or indirectly, until February 1, 1909.

(6) By cancelling, and they do hereby cancel, paragraph 17 of said agreement, and they do hereby substitute therefor the following:

(17) It is further mutually covenanted and agreed by and between the Licensor and Licensee that no lease of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be made in the "lease territory aforesaid" by the Licensee, except upon and subject to the following terms and conditions, the substance of which (with the exception of the condition as to the return of positive motion pictures hereinafter referred to) shall be expressed in a printed notice on the labels, as provided in Paragraph 7, accompanying each positive motion picture, namely: (1) that the lessee of such positive motion picture shall not sell or otherwise dispose of the same outright, but shall only have the right to use such positive motion picture in giving motion picture exhibitions in machines licensed by the Licensor under the said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, or one or more of them, or under any other letters patent that it may hereafter acquire or control, or to sublet such motion picture for use in such machines, and that (2) the lessee shall not make or permit others to make any reproduction commonly known as a "dupe" of such positive motion picture or any other positive motion picture containing the invention of said reissued letters patent No. 12,192, and that (3) the lessee shall not sub-lease the same or any other positive motion picture on film of a greater width than approximately one (1) inch containing the invention of said reissued letters patent No. 12,192, for use in giving motion picture exhibitions, until such lessee has entered into an agreement in writing with the Licensor containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect; and (4) that the lessee of such positive motion picture shall not remove the trade-mark or trade-name or title therefrom, and

(5) that the lessee shall return to the Licensee from whom such positive motion picture has been leased (without any payment therefor except the transportation charges incident to the return of the same) on the first day of every month, beginning with February 1st, 1909, an amount of positive motion pictures (on film of a greater width than approximately one (1) inch in running feet (not leased by the Licensee over twelve months before) and of the make of the Licensee to whom it is returned, equal to the amount that was so leased during the seventh month preceding the date of each such return, with the exception, however, that where any such positive motion pictures are destroyed by fire or lost in transportation, and proof satisfactory to the Licensee is furnished as to such destruction or loss, the amount so destroyed or lost shall be deducted from the amount to be returned, as aforesaid, and (6) that the violation of any of the foregoing conditions, including the terms and conditions of the agreement referred to in condition 3, entitles the lessor to immediate possession of such motion picture without liability for any price which the lessee or the person in whose possession it is found, may have paid therefor.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that the sub-leasing price for sub-leasing of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be fixed (and which may be changed in the same manner during the continuance of this agreement, as may also the 5th condition before recited in this paragraph) by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid" by each licensee during the year preceding the taking of such vote.

The Licensee further covenants and agrees that in the "lease territory aforesaid" it will not discriminate in favor of any lessee, or place upon any motion pictures any restrictions, other than those specified in this paragraph and Paragraph 7, unless authorized by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees.

(7) By inserting and adding as Paragraph 17a, in said agreement, the following:

(17a) The Licensor and Licensee further mutually covenant and agree that the Licensor shall and will enter into an agreement in writing with every person, firm or corporation recommended to the Licensor by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, upon the request of any such person, firm or corporation so recommended, upon such terms and conditions, not inconsistent with the terms and conditions of this agreement, as may be recommended to the Licensor by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, and which agreement shall contain no other terms and conditions than those so recommended, and that the Licensor will not terminate any such agreement except upon the recommendation to the Licensor by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees.

(8) That except as hereby modified and altered, the said agreement of December 18, 1908, and every representation, clause, covenant, and recital therein contained shall remain in full force and effect, in the same manner as if said Paragraphs 7 and 17, herein substituted for those in said agreement, and said Paragraph 17a, were in said agreement as originally executed.

(9) IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENTS COMPANY.

By

President.

Attest:

Secretary.

AMERICAN MUTOSCOPE & BIOGRAPH COMPANY.

By (Sd.) J. J. KENNEDY,

President.

Attest:

Secretary.

46.

The Supplemental License Agreement under the Camera and Film Patents dated the 26th day of January, 1909, between
Motion Picture Patents Company
and
Edison Manufacturing Company
is identical in terms with the aforesaid agreement of said date between

Motion Picture Patents Company
and
American Mutoscope & Biograph Company, ante p. 291.

47.

SUPPLEMENTAL LICENSE AGREEMENT.

(1) THIS AGREEMENT made this 26th day of January, 1909, by and between the MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey and having an office at Jersey City, in said State, party of the first part (hereinafter referred to as the Licensor); the EDISON MANUFACTURING COMPANY, a corporation organized and existing under the laws of the State of New Jersey and having an office at Orange, in said State, party of the second part (hereinafter referred to as the Edison Company); and ESSANAY FILM MANUFACTURING COMPANY, a corporation organized and existing under the laws of the State of party of the third part (hereinafter referred to as the Licensee); WITNESSETH THAT:

(2) WHEREAS, an agreement in writing was entered into on the 18th day of December, 1908, by and between the Licensor, the Edison Company, and the Licensee, and

(3) WHEREAS, the Licensor, the Edison Company, and the Licensee are desirous of modifying and altering the said agreement of December 18, 1908, in certain particulars:

NOW THIS AGREEMENT WITNESSETH:

(4) That the Licensor, the Edison Company and the Licensee, in consideration of the sum of One (\$1.00) Dollar, each to the other in hand paid, the receipt of which is hereby acknowledged, and of the faithful performance of the covenants and agreements hereinafter entered into, mutually covenant and agree to, and do hereby, modify and alter said agreement as follows:

(5) By cancelling, and they do hereby cancel, paragraph 7 of said agreement, and do hereby substitute therefor the following:

(7) The Licensee further covenants and agrees to mark each and every camera which it may make or use under this agreement embodying the inventions of reissued letters patent No. 12,037, letters patent Nos. 629,063 and 707,934, or either of them, with the word "Patented" followed by the dates of grant of all of the said letters patent, the inventions claimed in which are embodied in the said camera or apparatus, and to photographically print its trade-mark in each picture of at least one scene of each subject of positive motion pictures on film of a

greater width than approximately one (1) inch, manufactured by the Licensee and leased by it in the "lease territory aforesaid," and to mark conspicuously on the labels which shall be placed on boxes or packages containing positive motion pictures on film of a greater width than approximately one (1) inch, manufactured by the Licensee in the "territory aforesaid," with the following words and figures:

LICENSED MOTION PICTURE.

Manufactured and Leased by and Property of
(Patented in the United States August 31, 1897; reissued January 12, 1904.)

The enclosed motion picture is leased only and upon the following terms and conditions:

1. That the lessee shall not sell or otherwise dispose of the same outright, but shall have only the right to sublet or use such motion picture.
2. That the lessee shall permit such motion picture to be exhibited only on motion picture projecting machines licensed by the Motion Picture Patents Company of New Jersey under its patents covering such projecting machines.
3. That the lessee shall not have the right to sublet such motion picture until such lessee has entered into an agreement in writing with the Motion Picture Patents Company containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect.
4. That the lessee or user thereof shall not make or permit others to make any reproduction, commonly known as a "dupe," of such motion picture or any other motion pictures containing the inventions of the above reissued patent.
5. That the lessee or user thereof shall not remove the trade-mark or trade-name or title therefrom.
6. That the violation of any of the foregoing conditions, including the terms and conditions of the agreement referred to in 3, entitles the lessor to immediate possession of this motion picture without liability for any price which the lessee or the person in whose possession it is found, may have paid therefor.

The Licensor further covenants and agrees to use all pos-

(7) By inserting and adding as Paragraph 17a, in said agreement, the following:

(17a) The Licensor and Licensee further mutually covenant and agree that the Licensor shall and will enter into an agreement in writing with every person, firm or corporation recommended to the Licensor by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, upon the request of any such person, firm or corporation so recommended, upon such terms and conditions, not inconsistent with the terms and conditions of this agreement, as may be recommended to the Licensor by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, and which agreement shall contain no other terms and conditions than those so recommended, and that the Licensor will not terminate any such agreement except upon the recommendation to the Licensor by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees.

(8) That except as hereby modified and altered, the said agreement of December 18, 1908, and every representation, clause, covenant, and recital therein contained shall remain in full force and effect, in the same manner as if said Paragraphs 7 and 17, herein substituted for those in said agreement, and said Paragraph 17a, were in said agreement as originally executed.

(9) IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENTS COMPANY.

By

President.

Attest:

Secretary.

AMERICAN MUTOSCOPE & BIOGRAPH COMPANY.

By (Sd.) J. J. KENNEDY,

President.

Attest:

Secretary.

46.

The Supplemental License Agreement under the Camera and Film Patents dated the 26th day of January, 1909, between
Motion Picture Patents Company
and
Edison Manufacturing Company
is identical in terms with the aforesaid agreement of said date between

Motion Picture Patents Company
and
American Mutoscope & Biograph Company, ante p. 291.

47.

SUPPLEMENTAL LICENSE AGREEMENT.

(1) THIS AGREEMENT made this 26th day of January, 1909, by and between the MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey and having an office at Jersey City, in said State, party of the first part (hereinafter referred to as the Licensor); the EDISON MANUFACTURING COMPANY, a corporation organized and existing under the laws of the State of New Jersey and having an office at Orange, in said State, party of the second part (hereinafter referred to as the Edison Company); and ESSANAY FILM MANUFACTURING COMPANY, a corporation organized and existing under the laws of the State of party of the third part (hereinafter referred to as the Licensee); WITNESSETH THAT:

(2) WHEREAS, an agreement in writing was entered into on the 18th day of December, 1908, by and between the Licensor, the Edison Company, and the Licensee, and

(3) WHEREAS, the Licensor, the Edison Company, and the Licensee are desirous of modifying and altering the said agreement of December 18, 1908, in certain particulars:

NOW THIS AGREEMENT WITNESSETH:

(4) That the Licensor, the Edison Company and the Licensee, in consideration of the sum of One (\$1.00) Dollar, each to the other in hand paid, the receipt of which is hereby acknowledged, and of the faithful performance of the covenants and agreements hereinafter entered into, mutually covenant and agree to, and do hereby, modify and alter said agreement as follows:

(5) By cancelling, and they do hereby cancel, paragraph 7 of said agreement, and do hereby substitute therefor the following:

(7) The Licensee further covenants and agrees to mark each and every camera which it may make or use under this agreement embodying the inventions of reissued letters patent No. 12,037, letters patent Nos. 629,063 and 707,934, or either of them, with the word "Patented" followed by the dates of grant of all of the said letters patent, the inventions claimed in which are embodied in the said camera or apparatus, and to photographically print its trade-mark in each picture of at least one scene of each subject of positive motion pictures on film of a

greater width than approximately one (1) inch, manufactured by the Licensee and leased by it in the "lease territory aforesaid," and to mark conspicuously on the labels which shall be placed on boxes or packages containing positive motion pictures on film of a greater width than approximately one (1) inch, manufactured by the Licensee in the "territory aforesaid," with the following words and figures:

LICENSED MOTION PICTURE.

Manufactured and Leased by and Property of
(Patented in the United States August 31, 1897; reissued January 12, 1904.)

The enclosed motion picture is leased only and upon the following terms and conditions:

1. That the lessee shall not sell or otherwise dispose of the same outright, but shall have only the right to sublet or use such motion picture.

2. That the lessee shall permit such motion picture to be exhibited only on motion picture projecting machines licensed by the Motion Picture Patents Company of New Jersey under its patents covering such projecting machines.

3. That the lessee shall not have the right to sublet such motion picture until such lessee has entered into an agreement in writing with the Motion Picture Patents Company containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect.

4. That the lessee or user thereof shall not make or permit others to make any reproduction, commonly known as a "dupe," of such motion picture or any other motion pictures containing the inventions of the above reissued patent.

5. That the lessee or user thereof shall not remove the trade-mark or trade-name or title therefrom.

6. That the violation of any of the foregoing conditions, including the terms and conditions of the agreement referred to in 3, entitles the lessor to immediate possession of this motion picture without liability for any price which the lessee or the person in whose possession it is found, may have paid therefor.

The Licensor further covenants and agrees to use all pos-

sible diligence in licensing exhibiting or projecting machines now in use in the "lease territory aforesaid" embodying any or all of the inventions described and claimed in the said letters patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and that royalties or rents from the users of such exhibiting or projecting machines will not be exacted, directly or indirectly, until February 1, 1909.

(6) By cancelling, and they do hereby cancel, paragraph 17 of said agreement, and they do hereby substitute therefor the following:

17. It is further mutually covenanted and agreed by and between the Licensors and Licensee that no lease of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be made in the "lease territory aforesaid" by the Licensee, except upon and subject to the following terms and conditions, the substance of which (with the exception of the condition as to the return of positive motion pictures hereinafter referred to) shall be expressed in a printed notice on the labels, as provided in Paragraph 7, accompanying each positive motion picture, namely: (1) that the lessee of such positive motion picture shall not sell or otherwise dispose of the same outright, but shall only have the right to use such positive motion picture in giving motion picture exhibitions in machines licensed by the Licensors under the said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, or one or more of them, or under any other letters patent that it may hereafter acquire or control, or to sublet such motion picture for use in such machines, and that (2) the lessee shall not make or permit others to make any reproduction commonly known as a "dupe" of such positive motion picture or any other positive motion picture containing the invention of said reissued letters patent No. 12,192, and that (3) the lessee shall not sublease the same or any other positive motion picture on film of a greater width than approximately one (1) inch containing the invention of said reissued letters patent No. 12,192, for use in giving moving picture exhibitions, until such lessee has entered into an agreement in writing with the Licensors con-

taining terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect; and (4) that the lessee of such positive motion picture shall not remove the trade-mark or trade-name or title therefrom, and (5) that the lessee shall return to the Licensee from whom such positive motion picture has been leased (without any payment therefor except the transportation charges incident to the return of the same) on the first day of every month, beginning with February 1st, 1909, an amount of positive motion pictures (on film of a greater width than approximately one (1) inch) in running feet (not leased by the Licensee over twelve months before) and of the make of the Licensee to whom it is returned, equal to the amount that was so leased during the seventh month preceding the date of each such return, with the exception, however, that where any such positive motion pictures are destroyed by fire or lost in transportation, and proof satisfactory to the Licensee is furnished as to such destruction or loss, the amount so destroyed or lost shall be deducted from the amount to be returned, as aforesaid, and (6) that the violation of any of the foregoing conditions, including the terms and conditions of the agreement referred to in condition 3, entitles the lessor to immediate possession of such motion picture without liability for any price which the lessee or the person in whose possession it is found, may have paid therefor.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that the sub-leasing price for sub-leasing of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be fixed, (and which may be changed in the same manner during the continuance of this agreement, as may also the 5th condition before recited in this paragraph) by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid" by each licensee during the year preceding the taking of such vote.

The Licensee further covenants and agrees that in the "lease territory aforesaid" it will not discriminate in favor of any lessee, or place upon any motion pictures any restrictions, other than those specified in this paragraph and Paragraph 7, unless authorized by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees.

7. By inserting and adding as Paragraph 17a in said agreement, the following:

18a. The Licensors and Licensee further mutually covenant and agree that the Licensors shall and will enter into an agreement in writing with every person, firm or corporation recommended to the Licensors by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, upon the request of any such person, firm or corporation so recommended, upon such terms and conditions, not inconsistent with the terms and conditions of this agreement, as may be recommended to the Licensors by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, and which agreement shall contain no other terms and conditions than those so recommended, and that the Licensors will not terminate any such agreement except upon the recommendation to the Licensors by a majority vote of the Licensee and the several additional licensees hereinafter provided for or such of them as may at the time be licensees.

8. That except as hereby modified and altered, the said agreement of December 18, 1908, and every representation, clause, covenant, and recital therein contained shall remain in full force and effect, in the same manner as if said Paragraphs 7 and 17, herein substituted for those in said agreement, and said Paragraph 18a, were in said agreement as originally executed.

9. IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENTS COMPANY,

By

.....

President.

Attest:

.....

Secretary.

EDISON MANUFACTURING COMPANY,

By

.....

Vice-President.

Attest:

.....

Secretary.

By

.....

.....

.....

Attest:

.....

Secretary.

48, 49, 50, 51.

The four (4) Supplemental License Agreements under the
Camera and Film Patents between

MOTION PICTURE PATENTS COMPANY

and

KALEM COMPANY, Inc.,

LUBIN MANUFACTURING COMPANY,

SELIG POLYSCOPE COMPANY,

and

THE VITAGRAPH COMPANY OF AMERICA.

all dated the 26th day of January, 1909, are indetical in terms with
the aforesaid Supplemental License Agreement between Motion
Picture Patents Company and Essanay Film Manufacturing Com-
pany, ante p. 297.

52.

SUPPLEMENTAL LICENSE AGREEMENT.

(1) THIS AGREEMENT, made this 26th day of January, 1909, by and between the MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey and having an office at Jersey City, in said State, party of the first part (hereinafter referred to as the Licensor), and GEORGE KLEINE, of Chicago, Illinois, party of the second part, (hereinafter referred to as the Licensee); WITNESSETH THAT:—

(2) WHEREAS, an agreement in writing was entered into on the 18th day of December, 1908, by and between the Licensor and the Licensee; and

(3) WHEREAS, the Licensor and the Licensee are desirous of modifying and altering the said agreement of December 18, 1908, in certain particulars:

NOW THIS AGREEMENT WITNESSETH:

(4) That the Licensor and the Licensee in consideration of the sum of One (\$1.00) Dollar, each to the other in hand paid, the receipt of which is hereby acknowledged, and of the faithful performance of the covenants and agreements hereinafter entered into, mutually covenant and agree to, and do hereby modify and alter said agreement as follows:

(5) By cancelling, and they do hereby cancel, paragraph 7 of said agreement, and do hereby substitute therefor the following:

(7) The Licensee further covenants and agrees that in each picture of at least one scene of each subject of positive motion pictures on film of a greater width than approximately one (1) inch imported or printed by the Licensee and leased in the "lease territory aforesaid," there shall be photographically printed the trademark of the manufacturer of the negative of the said motion picture, and that he will mark conspicuously on the labels which shall be placed on boxes or packages containing positive motion pictures on film of a greater width than approximately one (1) inch printed or imported by the Licensee in the "territory aforesaid," with the following words and figures:

LICENSED MOTION PICTURE.

Leased by and Property of

GEORGE KLEINE

Chicago, Ill., U. S. A.

(Patented in the United States August 31, 1897;
reissued January 12, 1901).

The enclosed motion picture is leased only and upon the following terms and conditions:

1. That the lessee shall not sell or otherwise dispose of the same outright, but shall have only the right to sub-let or use such motion picture.

2. That the lessee shall permit such motion pictures to be exhibited only on motion picture projecting machines licensed by the Motion Picture Patents Company of New Jersey under its patents covering such projecting machines.

3. That the lessee shall not have the right to sub-let such motion picture until such lessee has entered into an agreement in writing with the Motion Picture Patents Company containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect.

4. That the lessee or user thereof shall not make or permit others to make any reproduction, commonly known as a "dupe," of such motion picture or any other motion picture containing the inventions of the above reissued patent.

5. That the lessee or user thereof shall not remove the trade mark or trade name or title therefrom.

6. That the violation of any of the foregoing conditions entitles the lessor to immediate possession of this motion picture without liability for any price which the lessee or the person in whose possession it is found, may have paid therefor.

The Licensor further covenants and agrees to use all possible diligence in licensing exhibiting or projecting machines now in use in the "lease territory aforesaid" embodying any or all of the inventions described and claimed in the said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and that royalties or rents from the users of such exhibiting or projecting machines will not be exacted, directly or indirectly, until February 1st, 1909.

(6) By cancelling, and they do hereby cancel, paragraph 17 of said agreement, and they do hereby substitute therefor the following:

(17) It is further mutually covenanted and agreed by and between the Licensor and Licensee that no lease of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be made in the "lease territory aforesaid" by the Licensee, except upon and subject to the following terms and conditions, the substance of which (with the exception of the condition as to the return of positive motion pictures hereinafter referred to) shall be expressed in a printed notice on the labels, as provided in Paragraph 7, accompanying each positive motion picture, namely: (1) that the lessee of such positive motion picture shall not sell or otherwise dispose of the same outright, but shall only have the right to use such positive motion picture in giving motion picture exhibitions in machines licensed by the Licensor under the said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, or one or more of them, or under any other letters patent that it may hereafter acquire or control, or to sub-let such motion picture for use in such machines, and that (2) the lessee shall not make or permit others to make any reproduction commonly known as a "dupe" of such positive motion picture or any other positive motion picture containing the invention of said reissued letters patent No. 12,192, and that (3) the lessee shall not sub-lease the same or any other positive motion picture on film of a greater width than approximately one (1) inch containing the invention of said reissued letters patent No. 12,192, for use in giving moving picture exhibitions, until such lessee has entered into an agreement in writing with the Licensor containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect; and (4) that the lessee of such positive motion pictures shall not remove the trade-mark or trade name or title therefrom, and (5) that the lessee shall return to the Licensee from whom such positive motion picture has been leased (without any payment therefor except the transportation charges incident to the return of the

same) on the first day of every month, beginning with February 1st, 1909, an amount of positive motion pictures (on film of a greater width than approximately one (1) inch in running feet (not leased by the Licensee over twelve months before) and of the make of the Licensee to whom it is returned, equal to the amount that was so leased during the seventh month preceding the date of each such return, with the exception, however, that where any such positive motion pictures are destroyed by fire or lost in transportation, and proof satisfactory to the Licensee is furnished as to such destruction or loss, the amount so destroyed or lost shall be deducted from the amount to be returned, as aforesaid, and (6) that the violation of any of the foregoing conditions, including the terms and conditions of the agreement referred to in condition 3, entitles the lessor to immediate possession of such motion picture without liability for any price which the lessee or the person in whose possession it is found, may have paid therefor.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that the sub-leasing price for sub-leasing of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be fixed, (and which may be changed in the same manner during the continuance of this agreement, as may also the 5th condition before recited in this paragraph), by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid" by each licensee during the year preceding the taking of such vote.

The Licensee further covenants and agrees that in the "lease territory aforesaid" he will not discriminate in favor of any lessee, or place upon any motion pictures any restrictions, other than those specified in this paragraph and Paragraph 7, unless authorized by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees.

(7) By inserting and adding as Paragraph 18a in said agreement, the following:

(18a) The Licensors and Licensee further mutually covenant and agree that the Licensors shall and will enter into an agreement in writing with every person, firm or corporation recommended to the Licensors by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, upon the request of any such person, firm or corporation so recommended, upon such terms and conditions, not inconsistent with the terms and conditions of this agreement, as may be recommended to the Licensors by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, and which agreement shall contain no other terms and conditions than those so recommended, and that the Licensors will not terminate any such agreement except upon the recommendation to the Licensors by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees.

(8) That except as hereby modified and altered, the said agreement of December 18, 1908, and every representation, clause, covenant, and recital therein contained shall remain in full force and effect, in the same manner as if said Paragraphs 7 and 17, herein substituted for those in said agreement, and said Paragraph 18a were in said agreement as originally executed.

(9) IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENTS COMPANY,

By

.....,

Attest:

President.

.....

(Signed) Geo. Kleine.

Witnesses:

(Signed) T. A. McCaffrey,

(Signed) S. E. Kinkead.

53.

1. **THIS AGREEMENT** made this 26th day of January, 1909, by and between the **MOTION PICTURE PATENTS COMPANY**, a corporation organized and existing under the laws of the State of New Jersey and having an office at Jersey City, in said State, party of the first part (hereinafter referred to as the Licensor); the **EDISON MANUFACTURING COMPANY**, a corporation organized and existing under the laws of the State of New Jersey and having an office at Orange, in said State, party of the second part (hereinafter referred to as the Edison Company); and **PATHE FRERES**, a corporation organized and existing under the laws of the State of New Jersey and having an office at Jersey City, in said State, party of the third part (hereinafter referred to as the Licensee); **WITNESSETH THAT:**

2. **WHEREAS**, an agreement in writing was entered into on the 18th day of December, 1908, by and between the Licensor, the Edison Company, and the Licensee; and

3. **WHEREAS**, the Licensor, the Edison Company, and the Licensee are desirous of modifying and altering the said agreement of December 18, 1908, in certain particulars:

NOW THIS AGREEMENT WITNESSETH:

4. That the Licensor, the Edison Company, and the Licensee, in consideration of the sum of One (1) Dollar, each to the other in hand paid, the receipt of which is hereby acknowledged, and of the faithful performance of the covenants and agreements hereinafter entered into, mutually covenant and agree to, and do hereby modify and alter said agreement as follows:

5. By cancelling, and they do hereby cancel, paragraph number seven of said agreement, and do hereby substitute therefor the following:

7. The Licensee further covenants and agrees to mark each and every camera which it may make or use **under this** agreement embodying the inventions of reissued Letters Patent No. 12,037, letters patent Nos. 629,063 and 707,934, or either of them, with the word "Patented" followed by the dates of grant of all of the said letters patent, the inventions claimed in which are embodied in the said camera or apparatus, and to photographically print its trade-mark in each picture of at least one scene of each subject of positive motion pictures on film of a greater width than approximately one (1) inch manufactured

by the Licensee and leased by it in the "lease territory aforesaid," and to mark conspicuously on the labels which shall be placed on boxes or packages containing positive motion pictures on film of a greater width than approximately one (1) inch manufactured by the Licensee in the "territory aforesaid," or imported as aforesaid into the "territory aforesaid," by the Licensee, with the following words and figures:

LICENSED MOTION PICTURE

Manufactured and Leased by and Property of

PATHE FRERES

New York, N. Y., U. S. A.

(Patented in the United States August 31, 1897;

reissued January 12, 1904.)

The enclosed motion picture is leased only and upon the following terms and conditions:

1. That the lessee shall not sell or otherwise dispose of the same outright, but shall have only the right to sublet or use such motion picture.

2. That the lessee shall permit such motion picture to be exhibited only on motion picture projecting machines licensed by the Motion Picture Patents Company of New Jersey under its patents covering such projecting machines.

3. That the lessee shall not have the right to sub-let such motion picture until such lessee has entered into an agreement in writing with the Motion Picture Patents Company containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect.

4. That the lessee or user thereof shall not make or permit others to make any reproduction, commonly known as a "dupe," of such motion picture or any other motion picture containing the inventions of the above reissued patent.

5. That the lessee or user thereof shall not remove the trade-mark or trade name or title therefrom.

6. That the violation of any of the foregoing conditions, including the terms and conditions of the agreement referred to in 3, entitles the lessor to immediate possession of this motion picture without liability for any price which the lessee

or the person in whose possession it is found, may have paid therefor.

The Licensor further covenants and agrees to use all possible diligence in licensing exhibiting or projecting machines now in use in the "lease territory aforesaid" embodying any or all of the inventions described and claimed in the said letters patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and that royalties or rents from the users of such exhibiting or projecting machines will not be exacted, directly or indirectly, until February 1, 1909.

6. By cancelling, and they do hereby cancel, paragraph number seventeen of said agreement, and they do hereby substitute therefor the following:

17. It is further mutually covenanted and agreed by and between the Licensor and Licensee that no lease of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be made in the "lease territory aforesaid" by the Licensee, except upon and subject to the following terms and conditions, the substance of which (with the exception of the condition as to the return of positive motion pictures hereinafter referred to) shall be expressed in a printed notice on the labels, as provided in Paragraph 7, accompanying each positive motion picture, namely: (1) that the lessee of such positive motion picture shall not sell or otherwise dispose of the same outright, but shall only have the right to use such positive motion picture in giving motion picture exhibitions in machines licensed by the Licensor under the said letters patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, or one or more of them, or under any other letters patent that it may hereafter acquire or control, or to sub-let such motion picture for use in such machines, and that (2) the lessee shall not make or permit others to make any reproduction commonly known as a "dupe" of such positive motion picture or any other positive motion picture containing the invention of said reissued letters patent No. 12,192, and that (3) the lessee shall not sub-lease the same or any other positive motion pic-

ture on film of a greater width than approximately one (1) inch containing the invention of said reissued letters patent No. 12,192, for use in giving moving picture exhibitions, until such lessee has entered into an agreement in writing with the Licensor containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect; and (4) that the lessee of such positive motion picture shall not remove the trade-mark or trade name or title therefrom, and (5) that the lessee shall return to the Licensee from whom such positive motion picture has been leased (without any payment therefor except the transportation charges incident to the return of the same) on the first day of every month, beginning with February 1st, 1909, an amount of positive motion pictures (on film of a greater width than approximately one (1) inch) in running feet (not leased by the Licensee over twelve months before) and of the make of the Licensee to whom it is returned, equal to the amount that was so leased during the seventh month preceding the date of each such return, with the exception, however, that where any such positive motion pictures are destroyed by fire or lost in transportation, and proof satisfactory to the Licensee is furnished as to such destruction or loss, the amount so destroyed or lost shall be deducted from the amount to be returned, as aforesaid, and (6) that the violation of any of the foregoing conditions, including the terms and conditions of the agreement referred to in condition 3, entitles the lessor to immediate possession of such motion picture without liability for any price which the lessee or the person in whose possession it is found, may have paid therefor.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that the sub-leasing price for sub-leasing of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be fixed, (and which may be changed in the same manner during the continuance of this agreement, as may also the 5th condition before recited in this paragraph) by a majority vote of the Licensee and the several additional licensees hereinafter provided for,

or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid" by each licensee during the year preceding the taking of such vote.

The Licensee further covenants and agrees that in the "lease territory aforesaid" it will not discriminate in favor of any lessee, or place upon any motion pictures any restrictions, other than those specified in this paragraph and Paragraph 7, unless authorized by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees.

7. By inserting and adding as Paragraph 17a in said agreement, the following:

17a. The Licensor and Licensee further mutually covenant and agree that the Licensor shall and will enter into an agreement in writing with every person, firm or corporation recommended to the Licensor by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, upon the request of any such person, firm or corporation so recommended, upon such terms and conditions, not inconsistent with the terms and conditions of this agreement, as may be recommended to the Licensor by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, and which agreement shall contain no other terms and conditions than those so recommended, and that the Licensor will not terminate any such agreement except upon the recommendation to the Licensor by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees.

8. That except as hereby modified and altered, the said agreement of December 18, 1908, and every representation, clause, covenant, and recital therein contained shall remain in full force and effect, in the same manner as if said paragraphs 7 and 17, herein substituted for those in said agreement, and said paragraph 17a, were in said agreement as originally executed.

9. IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

PATHE FRERES,

By Jacques A. Berst,
Vice-President.

Pathe Frères

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The License Agreement under the Re-issue Patent No. 12,192
between

MOTION PICTURE PATENTS COMPANY

and

EBERHARD SCHNEIDER,

dated 3rd day of February 1909,

which has long since expired, will be found hereafter
p. 656 in the Appendix.

54.

The License Agreement under the Projecting Machine Patents
between

MOTION PICTURE PATENTS COMPANY

and

AMERICAN MOVING PICTURE MACHINE COMPANY

dated the 13th day of February, 1909, is identical in terms with the
aforegoing License Agreement under said Projecting Machine Pat-
ents, between said M. P. P. Co. and the Armat Moving Picture
Company, ante p. 279.

55.

Agreement between
MOTION PICTURE PATENTS COMPANY
and
GAUMONT COMPANY OF NEW YORK
dated the 2nd day of March, 1909.
LICENSE AGREEMENT.

(a) THIS AGREEMENT, made this 2nd day of March, 1909, by and between the MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey and having an office at Jersey City, in said State, party of the first part, (hereinafter referred to as the "Licensor"), and the GAUMONT COMPANY, a corporation organized and existing under the laws of the State of New York, and having an office at New York City, New York, party of the second part, (hereinafter referred to as the "Licensee"), WITNESSETH THAT:

(b) WHEREAS, the Licensor represents that it is organized to own, deal in, and grant licenses under Letters Patent pertaining to the motion picture art, and that it is the owner of all the right, title and interest in and to United States Letters Patent:

No. 578,185, dated March 2, 1897, for Vitascope, granted to Thomas Armat;

No. 580,749, dated April 13, 1897, for Vitascope, granted to Thomas Armat;

No. 586,953, dated July 20, 1897, for Phantoscope, granted to Charles F. Jenkins and Thomas Armat;

No. 588,916, dated August 24, 1897, for Kinetoscope, granted to Charles M. Campbell as the assignee of Willard G. Steward and Ellis F. Frost;

No. 629,063, dated July 18, 1899, for Kinetoscopic Camera, granted to American Mutoscope Company as the assignee of Herman Casler;

No. 673,429, dated April 30, 1901, for Kinetoscope, granted to The American Vitagraph Company as the assignee of Albert E. Smith;

No. 673,992, dated May 14, 1901, for Vitascope, granted to Thomas Armat;

No. 707,934, dated August 26, 1902, for Projecting Kinetoscope, granted E. & H. T. Anthony & Co., as assignees of Woodville Latham;

No. 722,382, dated March 10, 1903, for Animated Picture Apparatus, granted to American Mutoscope & Biograph Company as the assignee of John A. Pross;

No. 744,251, dated November 17, 1903, for Kinetoscope, granted Albert E. Smith;

No. 770,937, dated September 27, 1904, for Kinetoscope, granted The Vitagraph Company of America as the assignee of Albert E. Smith;

No. 771,280, dated October 4, 1904, for Winding-Reel, granted Albert E. Smith;

No. 785,205, dated March 21, 1905, for Flame-Shield for Kinetoscopes, granted The Vitagraph Company of America as the assignee of William Ellwood; and

No. 785,237, dated March 21, 1905, for Film-Holder for Kinetoscopes, granted The Vitagraph Company of America as the assignee of Albert E. Smith;

all of which said Letters Patent relate to improvements in the motion picture art, and that there are no outstanding licenses, shop rights or other rights under said Letters Patent, or either of them, except a license for Parlor Kinetoscopes granted The Karmata Company, of Washington, D. C., under Letters Patent Nos. 578,185, 580,749, 586,953 and 673,992, and certain alleged licenses under U. S. Letters Patent No. 586,953, which are in dispute, claimed to be owned by the Edison Company and the American Graphophone Company, of Washington, D. C., and S. Lubin, of Philadelphia, Pennsylvania; and excepting a license granted by the American Mutoscope & Biograph Company to the firm of Marvin & Casler to manufacture and sell cameras and exhibiting or projecting machines under Letters Patent owned by it (some of which are hereinbefore referred to) for use in foreign countries only, and excepting certain licenses granted by the Armat Motion Picture Company to the American Mutoscope & Biograph Company under Letters Patent Nos. 578,185, 580,749, 586,953, 588,916 and 673,992, and by the latter Company to the former Company under Patents Nos. 707,934 and 722,382, which licenses are, however, by agreement between said

parties, suspended and are not to be acted upon until the Licensor becomes bankrupt, ceases doing business or shall be dissolved voluntarily or otherwise, or its Charter shall be repealed; and

(c) WHEREAS, the Licensor represents that it is the owner of all the right, title and interest in and to reissued Letters Patent of the United States, No. 12,037, dated September 31, 1902, and No. 12,192, dated January 12, 1904, original Letters Patent whereof were numbered 589,168, and dated August 31, 1897, and that there are no outstanding exclusive licenses, shop rights and other rights under said reissued Letters Patent or either of them, and no outstanding licenses or other rights of any kind, except license agreements thereunder between the Edison Manufacturing Company, of Orange, New Jersey, and certain manufacturers of motion pictures, the operation of which agreements has been suspended, and between the Licensor and certain manufacturers and importers of motion pictures; and

(d) WHEREAS, the Licensee is engaged in the manufacture and importation of a certain synchronizing device for motion picture exhibiting and sound reproducing apparatus, which is known as the "Chronophone," and in the business of selling, leasing and using the said "Chronophone," and also in the business of manufacturing, importing, selling and exhibiting "talking motion pictures" exclusively, including the printing of positive "talking motion pictures" from negatives of the Licensee's own production, and relying upon the aforesaid representations of the Licensor and induced thereby, desires to obtain from the Licensor a license under said two reissued Letters Patent Nos. 12,037 and 12,192, and Letters Patent Nos. 629,063 and 707,934, to manufacture and import "talking motion pictures" and to use and to lease for use, said "talking motion pictures" in the said "Chronophones," the exhibiting or projecting machines embodied in or attached to which contain the inventions, or some of them, described and claimed in said Letters Patent Nos. 578,485, 580,749, 586,953, 588,916, 673,329, 573,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237; and

(e) WHEREAS, the Licensee represents that more than fifty per cent. (50%) of its capital stock is now owned and controlled by the Societe des Etablissements Gaumont, of Paris, France; and

(f) WHEREAS, the said Societe des Etablissements Gaumont, has, by an agreement in writing, dated September 23, 1908,

appointed George Kleine, of Chicago, Illinois, its sole agent for the importation into the United States, of motion pictures of its manufacture, except "talking motion pictures"; and

(g) WHEREAS, the Licensor has by an agreement in writing, dated December 18, 1908, licensed the said George Kleine to import motion pictures manufactured by the said Societe des Etablissements Gaumont, under certain terms and conditions, one of which conditions is, that if the said Societe des Etablissements Gaumont shall import or shall knowingly permit or knowingly be a party to the importation of motion pictures by others than the said George Kleine, without the Licensor's knowledge and consent, or shall manufacture motion pictures in the United States without the Licensor's consent, then the license to the said Kleine, so far as it extends to the importation of motion pictures manufactured by the said Societe des Etablissements Gaumont, shall be terminated and cancelled, upon due notice.

(h) NOW, THEREFORE, the parties hereto, for and in consideration of the sum of one dollar to each in hand paid by the other, and for other good and valuable considerations from each to the other moving, receipt of all of which is hereby acknowledged, have agreed as follows:

(1) The Licensor hereby grants to the Licensee for the term and subject to the covenants, conditions and stipulations hereinafter expressed, the right and license under said reissued Letters Patent No. 12,037 and Letters Patent Nos. 629,063 and 707,934 for the United States, its territories, dependencies and possessions (hereinafter called the "territory aforesaid") to manufacture and use such a number of cameras embodying the inventions of said reissued Letters Patent No. 12,037 and Letters Patent Nos. 629,063 and 707,934, as may be necessary for the proper conduct of the Licensee's business in the manufacture of "talking motion pictures" and to manufacture, print and produce positive "talking motion pictures" embodying the inventions of said reissued Letters Patent No. 12,192, and to import positive and negative "talking motion pictures" made by the said Societe des Etablissements Gaumont, the negative "talking motion pictures" from which such positive "talking motion pictures" are printed or imported not to exceed a total length of twenty-five hundred (2500) running feet of new subjects in any one week during the continuance of this agreement, such number of running feet to be ascertained by adding together the length of

one print of each new subject so printed or imported without regard to the number of positive prints of each subject which may be printed or imported. The Licensor hereby further licenses the Licensee to exhibit, and to lease for exhibition, in the "territory aforesaid," positive "talking motion pictures" made or imported by it under the foregoing license upon the condition that they be used solely in exhibiting or projecting machines containing the inventions or some of them, of the said Letters Patent, Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and licensed by the Licensor and only when such exhibiting or projecting machines are used in connection with synchronizing "talking motion pictures" apparatus manufactured or imported by the Licensee and only in connection with the sound records furnished by the Licensee with such "talking motion pictures." The Licensee covenants and agrees not to manufacture or import, during the continuance of this agreement, any motion pictures other than the "talking motion pictures" which the Licensee is hereby licensed to manufacture and import.

The parties hereto understand and agree that by the expression "talking motion pictures," as hereinbefore and hereinafter used, is meant a transparent or translucent tape-like film having photographs thereon of an object in motion, used solely in connection with a photographic sound record which has been synchronized with the action represented by the said photographs.

The license hereby granted is personal to the Licensee, and not exclusive, and does not include the right to dispose of, in the "territory aforesaid," any cameras embodying any invention covered by said reissued Letters Patent No. 12,037 and Letters Patent Nos. 629,063 and 707,934 and, in the event of the permanent discontinuance or retirement from business of the Licensee for a period of six consecutive months, or upon the termination of the license to George Kleine, referred to in paragraph *g* hereof, to import motion pictures manufactured by the said Societe des Etablissements Gaumont, by reason of any fault or act of the said Societe des Etablissements Gaumont, or whenever the said Societe des Etablissements Gaumont shall cease to own or control more than fifty per cent. (50%) of the capital stock of the Licensee, the license hereby granted shall be immediately terminated.

2. The Licensor, for itself, its successors, assigns, and legal representatives, hereby releases, acquits and discharges the Licensee

from any and all claims, demands and liabilities for profits and damages, because of any infringement by the Licensee of any or all of the aforesaid United States Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and reissued Letters Patent Nos. 12,037 and 12,192, or use by the Licensee of the inventions, or any of them, covered by said Letters Patent or either of them prior to the date hereof.

3. The Licensee hereby recognizes and admits the validity of said reissued Letters Patent No. 12,037, so far as the first three claims thereof are concerned and the validity of said reissued Letters Patent No. 12,192, and Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and the Licensee agrees not to contest or question the same during the continuance of this agreement.

(3a) The Licensee covenants and agrees that it will, during the continuance of this agreement, pay to the Licensor, royalties on all positive and negative "talking motion pictures" imported by it at the same rates provided for in Paragraph 4 hereof for royalties on "Licensed Film." The Licensee further covenants and agrees that it will give to the Licensor, between the first and fifteenth days of each month, a statement in writing, sworn to by an officer of the Licensee, if the Licensor should so elect, showing the total number of running feet of "talking motion pictures" so imported by it during the preceding month, beginning with March, 1909, and at the same time pay royalties thereon at the rate of one-half ($\frac{1}{2}$) cent per running foot on all "talking motion pictures" so imported by it during that month. The Licensee further covenants and agrees to permit the Licensor, if it should so desire, to examine its books through any reputable chartered accountants, to be agreed upon by the Licensor and Licensee, to determine the number of running feet of "talking motion pictures" imported by the Licensee under this agreement. The Licensor further covenants and agrees that at the end of each year beginning with June 20th, 1910, it will, if the Licensee or directs, make up the account of the royalties paid to it by the Licensee during the preceding year and will return to the Licensee any royalties which the Licensee may have overpaid, according to the schedule of royalties provided for in Paragraph 4 hereof, by reason of its total importations of "talking motion pic-

tures" added to its purchases of "Licensed Film" for that year, having exceeded four million (4,000,000) running feet, and in order that the Licensor may ascertain the royalty rate to be charged to the Licensee, the Licensee shall instruct the manufacturer or manufacturers of licensed film to communicate to the Licensor the amount of such "Licensed Film" on which the Licensee shall have paid royalty during that year.

4. The Licensee covenants and agrees that in the manufacture of "talking motion pictures" both negative and positive in the "territory aforesaid," during the continuance of this agreement, the Licensee will use exclusively sensitized film manufactured and sold in the United States by a manufacturer or manufacturers authorized by the Licensor, such sensitized film herein called "Licensed Film," and that the Licensee will not, in the "territory aforesaid," purchase or otherwise acquire or lease or sell or otherwise dispose of or deal in, motion pictures produced on or by the use of any other film than such "Licensed Film" nor sell or otherwise dispose of any negative motion pictures.

The Licensor further covenants and agrees that it will, in an agreement in writing with each manufacturer of "Licensed Film," obligate such manufacturer, so long as the latter has the exclusive right to make and sell such "Licensed Film," not to knowingly furnish or sell, in the "territory aforesaid," except "for export," sensitized film for the commercial production of negative and positive motion pictures to any one but the Licensee, and the additional licensees hereinafter provided for, except to the extent of two and one-half ($2\frac{1}{2}$) per cent. of the total amount of such "Licensed Film," of a width approximately one and three-eighths ($1\frac{3}{8}$ inch) inch or thirty-five (35) millimeters, or wider or narrower, supplied by such manufacturer to the parties to the license agreements referred to in Paragraph c during the year preceding June 20, 1909, and to the Licensee and the additional licensees of the Licensor, during any one year thereafter during the continuance of such agreements, which amount such manufacturer shall have the right to furnish or sell, in the "territory aforesaid," to persons not engaged in the business of manufacturing, leasing, selling, loaning, renting out, or otherwise disposing of or dealing in motion pictures in the "territory aforesaid"; and with the further exception that such manufacturer may also reserve the right to manufacture and sell sensitized film suitable for the commercial production of negative and positive

motion pictures, of a width not to exceed approximately one (1) inch in the "territory aforesaid," to persons, firms and corporations engaged in the business of manufacturing, leasing, selling, or loaning, renting out or otherwise disposing of or dealing in motion pictures in the "territory aforesaid," but upon the condition that in case any of them produces thereon any picture greater in size than approximately three-quarters ($\frac{3}{4}$) of an inch on a line either parallel to or at right angles to the edge of such film, and such manufacturer has knowledge thereof, such manufacturer will cease supplying such film to any person, firm or corporation so doing; and with the further exception that such manufacturer may also reserve the right to manufacture and sell in the "territory aforesaid" such sensitized film suitable for the commercial production of negative and positive motion pictures of any width, to persons, firms and corporations now having an established business of manufacturing motion pictures in any country foreign to the United States, who now manufacture negative and positive motion pictures in the United States, or who may after the date of this agreement commence the manufacture of negative or positive motion pictures in the United States.

The Licensor further covenants and agrees that the royalties which it will charge to and receive from the Licensee for "Licensed Film" (and which are to be included by the manufacturer or manufacturers in the prices charged for "Licensed Film" to the Licensee and paid over to the Licensor) shall not, for "Licensed Film" of a width approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ inch) or thirty five (35) millimeters, purchased by the Licensee during the year preceding June 20, 1909, and during any year thereafter during the continuance of this agreement, as hereinafter provided, exceed the following rates, that is to say:

If the shipments of such "Licensed Film" to the Licensee, on its orders, for any such year, be four million running feet or less, a royalty of one-half ($1\frac{1}{2}$) cent per running foot on the total number of feet for that year; if such shipments, on its orders, of such "Licensed Film," for any such year, exceed four million running feet but do not exceed six million running feet, a royalty of four and one-half ($4\frac{1}{2}$) mills per running foot on the total number of running feet for that year; if such shipments, on its orders, of such "Licensed Film," for any such year, exceed six million running feet but do not exceed eight million running feet, a royalty of four (4) mills per running

foot on the total number of running feet for that year; if such shipments, on its orders, of such "Licensed Film," for any such year, exceed eight million running feet but do not exceed ten million running feet, a royalty of three and three-quarters ($3\frac{3}{4}$) mills per running foot on the total number of running feet for that year; and if such shipments, on its orders, of such "Licensed Film," for any such year, exceed ten million running feet, a royalty of three and one-quarter ($3\frac{1}{4}$) mills per running foot on the total number of running feet for that year. And for "Licensed Film" narrower or wider than approximately one and three-eighths ($1\frac{3}{8}$) inch, or thirty-five (35) millimeters, the above mentioned royalties shall be reduced or increased in proportion to the reduction or increase in width of such narrower or wider "Licensed Film" below or above the width of such "Licensed Film" of approximately one and three-eighths ($1\frac{3}{8}$) inch or thirty-five (35) millimeters.

The Licensor and Licensee further mutually covenant and agree that the manufacturer of such "Licensed Film" shall in the first instance, that is to say, when such film is billed and shipped by it, charge the Licensee with its price per running foot plus the maximum royalty aforesaid, and on the expiration of each year, counting from June 20th, 1909, shall adjust the royalty account of the Licensee as to "Licensed Film" so billed, and shipped to and paid for by the Licensee, according to the royalty schedule aforesaid, return to the Licensee any amount the Licensee shall have overpaid, according to said schedule, and paying the balance to the Licensor; and that the royalties which may hereafter be paid to the manufacturer of such "Licensed Film" after the date hereof and up to June 20, 1909, under this agreement, shall be adjusted and the excess returned, in the same manner, the royalty rate to be charged for such period being the rate that would have been charged if the shipments of "Licensed Film" to the Licensee had been continued for a year at the same rate at which shipments were made for such period.

The Licensor further agrees that the dealings between the Licensee and the authorized manufacturer or manufacturers from whom the Licensee purchases such "Licensed Film" shall, insofar as the number of running feet ordered by or shipped to the Licensee or anything that would indicate or disclose the number of such feet is concerned, be a matter of confidence between the Licensee and manufacturer or manufacturers, who shall not be at liberty to disclose, and moreover shall be bound in writing not to disclose, directly

or indirectly, to the Licensor or any of the additional licensees of the Licensor, the number of such feet of "Licensed Film" so ordered by or shipped to the Licensee; the Licensor further agreeing to so arrange or provide for the reports and royalty payments to be made to it by such manufacturer or manufacturers that the latter shall make such reports and royalty payments in gross, as to all of the licensees to whom shipments of such "Licensed Film" are made, and without specifying the number of running feet of "Licensed Film" so shipped to any of them, either by a statement in writing of the number of such feet or the amount of royalties paid or to be paid by such manufacturer or manufacturers for or on account thereof.

The Licensor and Licensee further mutually covenant and agree that no royalty (except as hereinbefore or hereinafter provided for), other than or in addition to that provided for in this paragraph shall be charged to or collected from the Licensee by the Licensor up to June 20, 1910, or during any renewal of this agreement up to August 31, 1914, the date of expiration of said reissued Letters Patent Nos. 12,037 and 12,192, and no royalty whatever (except as hereinafter provided for) shall be charged to or collected from the Licensee by the Licensor after either the first, second and third claims of said reissued Letters Patent No. 12,037, and either of the claims of said reissued Letters Patent No. 12,192, in any suit as hereinafter provided for, for infringement thereof, are held invalid by a Court that last hears and decides such suit, or after August 31, 1914, during any renewal of this agreement; and that the Licensor shall charge royalties or rents for the use of all exhibiting or projecting machines capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, containing the inventions or any of them, described and claimed in the aforesaid Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, licensed by the Licensor and that all such royalties or rents shall be collected by the Licensor, directly or indirectly from the exhibitors, including the Licensee, using such machines, and shall be fixed by the Licensor and charged and collected from such exhibitors by the Licensor at such a rate as to average as nearly as possible a royalty or rental of Two Dollars (\$2.00) per week for each such licensed machine in use.

The Licensor further covenants and agrees that in exacting its weekly royalty for the use of any exhibiting or projecting

machines embodying one or more of the inventions described and claimed in said United States Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, to which is attached sound record synchronizing devices of the Licensee's manufacture or importation, it will not discriminate in any manner against any theatre using such devices, and that such weekly royalty for any such theatre shall in no case be greater than the royalties charged to theatres of a corresponding size and location not using such synchronizing devices.

5. The Licensee further covenants and agrees not to sell or otherwise dispose of or offer for sale, in the "territory aforesaid," unexposed positive or negative "Licensed Film" during the continuance of this agreement, but this provision shall not prevent the Licensee from selling as refuse, in the "territory aforesaid," second-hand positive or negative motion pictures or motion pictures which have been used or become shop-worn or in any way damaged, to a manufacturer or manufacturers of "Licensed Film" or to a manufacturer to manufacture other articles than film therefrom, but only after they have been rendered by the Licensee unsuitable for use as motion pictures by cutting or otherwise defacing them; or from selling exposed positive or negative film (either waste or in rolls) known as "blank film" for use by dealers, renters or exhibitors for leaders or for spacing or for similar purposes, but which shall not and cannot be otherwise employed for the exhibition of motion pictures.

6. The Licensee further covenants and agrees not to lease, rent out, sell or offer for sale, or otherwise, dispose of in the "territory aforesaid," motion pictures to anyone purchasing or otherwise obtaining, leasing, using, loaning, renting out, selling, offering for sale, or otherwise disposing of or dealing in, motion pictures containing the inventions of said reissued Letters Patent No. 12,192, not the output of the Licensee or of the additional licensees of the Licensor under the said reissued Letters Patent No. 12,192.

(7) The Licensee further covenants and agrees to mark each and every camera which the Licensee may make or use under this agreement embodying the inventions of reissued Letters Patent No. 12,037, Letters Patent Nos. 629,063 and 707,934, or either of them, with the word "Patented" followed by the dates of grant of all of the said Letters Patent, the inventions claimed in which are embodied in the said camera or apparatus, and to photographically

print the Licensee's trade-mark in each picture of at least one scene of each subject of positive "talking motion pictures" manufactured by the Licensee and to mark conspicuously on the labels which shall be placed on boxes or packages containing positive "talking motion pictures" manufactured or imported by the Licensee with the following words and figures:

LICENSED TALKING MOTION PICTURE
Manufactured and Leased by and Property of
GAUMONT COMPANY
New York, N. Y.

(Patented in the U. S. August 31, 1897;
reissued Jan. 12, 1904.)

The enclosed talking motion picture is leased only and upon the following terms and conditions:

(1) That it shall at all times be used in connection with the sound record furnished with this picture, and only on synchronized motion picture and sound reproducing apparatus, the synchronizing devices of which have been made or imported by the Lessor, and the motion picture projecting machines of which are licensed by the Motion Picture Patents Company of New Jersey, under its patents covering such projecting machines.

(2) That the lessee shall not have the right to sub-let such talking motion picture until such lessee has entered into an agreement in writing with the Motion Picture Patents Company containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect.

(3) That the lessee or user thereof shall not make or permit others to make any reproduction, commonly known as a "dupe," of such talking motion picture or any other motion picture containing the inventions of the above reissued patent.

(4) That the lessee or user thereof shall not remove the trade-mark or trade-name or title therefrom.

(5) That the violation of any of the foregoing conditions, including the terms and conditions of the agreement referred to in 3, entitles the lessor to immediate possession of this

talking motion picture without liability for any price which the lessee or the person in whose possession it is found, may have paid therefor.

The Licensor further covenants and agrees to use all possible diligence in licensing exhibiting or projecting machines now in use in the United States, its territories and possessions (with the exception of its insular possessions and Alaska), embodying any or all of the inventions described and claimed in the said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237.

The Licensee further covenants and agrees that it will not discriminate in favor of any lessee, or place upon any "talking motion pictures" any restrictions, other than those specified in this paragraph and paragraph 15 thereof, without the consent of the Licensor.

(8) The Licensee further covenants and agrees not to use, in the production of negative or positive "talking motion pictures," under this agreement, the negative or positive motion pictures (or reproductions commonly known as "dupes" of the negative or positive motion pictures) of any other manufacturer or person, firm or corporation, whether the same have or have not been copyrighted in the United States or in any foreign country.

(9) The Licensee further covenants and agrees that when leasing any "talking motion picture" with the sound record provided by the Licensee for such "talking motion picture" to any lessee for the purpose of sub-leasing by such lessee, it will charge for the film alone not less than ten per cent. (10%) more than the minimum leasing prices which the Licensor has established or may hereafter establish for the lease of motion pictures without sound records by any of its additional licensees under the said reissued Letters Patent No. 12,192, and that it will charge not less than the dealers' rates for the sound records to be used with such film and for any advertising matter supplied with such "talking motion picture." The Licensor covenants and agrees that it will immediately communicate to the Licensee the leasing prices which it may have established for such additional licensees, or any change which it may hereafter make in such leasing prices.

The Licensee further covenants and agrees that the rate which it will charge, or will require to be charged by its lessees to any

theatre or place of exhibition, for the weekly rental of "talking motion pictures" with the sound record provided by the Licensee for such "talking motion pictures," shall in no case be less than ten per cent. (10%) more than the minimum sub-leasing rate, which the Licensor may establish for that theatre or place of exhibition for the weekly rental of motion pictures without sound records, which minimum sub-leasing rate shall be immediately communicated to the Licensee when so established by the Licensor.

(10) The Licensor and Licensee further mutually covenant and agree that when leasing "talking motion pictures" to any lessee for the purpose of sub-leasing such "talking motion pictures," an order for one or more positive "talking motion pictures" of each and every new subject made by the Licensee when offered for lease in the regular order of business shall constitute a "standing order" within the meaning of any scale of prices which may have been established or which may hereafter be established by the Licensor, said standing order to remain in force for not less than fourteen (14) consecutive days; and the parties hereto further mutually covenant and agree that the minimum price at which any additional "talking motion pictures" shall be leased subsequent to the filling of a standing order shall be the same per running foot as the pictures furnished on such standing order, unless otherwise provided for in such scale of prices. All positive "talking motion pictures," which may be hereafter leased by the Licensee to persons not having a standing order, as above defined, shall in every case be leased at not less than the list prices which may be provided in said scale of prices.

(11) The Licensee further covenants and agrees that positive "talking motion pictures" made by or for the Licensee and unsold prior to the date hereof, shall be subject to the scales of prices provided for in Paragraph 9, and shall be leased or furnished for use by the Licensee at not less than the prices fixed in the said scale of prices.

(12) The Licensee further covenants and agrees not to lease, or furnish for use, "talking motion pictures" under any circumstances, either directly or indirectly, during the continuance of this agreement, at lower prices than those fixed and established by the Licensor, as provided for in Paragraph 9.

(13) The Licensee further covenants and agrees that it will not exhibit, or lease, or offer for lease, second-hand or used positive "talking motion pictures" which are damaged or worn so as to be unfit for use in giving exhibitions thereof.

(14) The Licensee further covenants and agrees that all leases of positive "talking motion pictures" shall be at the prices hereinbefore provided for without the allowance of any discounts or rebates or other reduction by which the lessee might acquire positive "talking motion pictures" at lower prices than those herein provided for. The Licensee further covenants and agrees that it will not sell or rent or offer for sale or rent other goods or merchandise, including projecting machines, sound reproducing devices or motion picture exhibiting and sound record synchronizing devices, at less than current prices in order to induce the lease of positive "talking motion pictures."

The Licensee further covenants and agrees that in determining the rate which it charges to any theatre to which it supplies a complete service for the exhibition of "talking motion pictures," including the positive "talking motion pictures" and the necessary exhibiting and sound reproducing devices, with or without the operator therefor, it will charge such prices for the use of such devices and the services of such operator as not to permit or effect the lease or rental of positive "talking motion pictures" at rates lower than those provided for in paragraph 9 hereof.

(15) The Licensee further covenants and agrees that it will dispose of the positive "talking motion pictures" manufactured, imported, produced or printed by it, only by the lease thereof to lessees for the purpose of sub-leasing directly or indirectly to exhibitors for the purpose of giving exhibitions thereof.

The Licensee further covenants and agrees that no lease of positive "talking motion pictures" shall be made by it to any lessee for the purpose of sub-leasing, except upon and subject to the following terms and conditions, the substance of which (with the exception of the condition as to the return of positive "talking motion pictures") hereinafter referred to, shall be expressed in a printed notice on the labels as provided for in Paragraph 7, accompanying each positive "talking motion picture," namely; (1) that such "talking motion picture" shall at all times be used in connection with the sound record furnished by the Licensee with the said

picture and only on synchronized motion picture exhibiting and sound reproducing apparatus, the synchronizing devices of which have been made or imported by the Licensee and the motion picture projecting machines of which are licensed by the Licensor under the said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, or one or more of them under any other letters patent that it may hereafter acquire or control; and (2) that the lessee shall not make or permit others to make any reproduction, commonly known as a "dupe" of such positive talking motion picture or any other positive motion picture containing the invention of said reissued Letters Patent No. 12,192; and (3) that the lessee shall not sub-lease the same or any other positive motion picture on film of a greater width than approximately one inch (1"), containing the inventions of said reissued Letters Patent No. 12,192, for use in giving motion picture exhibitions until such lessee has entered into an agreement in writing with the Licensor containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in force and effect; and (4) that the lessee of such positive "talking motion picture" shall not remove the trade-mark or trade-name or title therefrom, and (5) that the lessee shall return to the Licensee (without any payment therefor, except the transportation charges incident to the return of the same) on the first of every month, beginning with September 1, 1909, an amount of positive "talking motion pictures" (not leased by the Licensee over twelve months before) and of the make of the Licensee, equal to the amount that was so leased during the seventh month preceding the date of each such return, with the exception, however, that where any such positive "talking motion pictures" are destroyed by fire or lost in transportation, and proof satisfactory to the Licensee as to such destruction or loss is furnished, the amount so destroyed or lost shall be deducted from the amount to be returned as aforesaid, and (6) that the violation of any of the foregoing conditions, including the terms and conditions of the agreement referred to in condition 3, entitles the lessor to immediate possession of such "talking motion picture" without liability for any price which the lessee or the person in whose possession it is found may have paid therefor.

The Licensor further covenants and agrees to enter into an agreement for the sub-leasing of the positive "talking motion pictures," made or imported by the Licensee, with any person, firm or corporation, designated by the Licensee, provided such person, firm or corporation requests such agreement and has not violated any agreement with the Licensor or with any manufacturer or importer of motion pictures or projecting machines licensed by it, and further covenants and agrees that such agreement shall contain no terms inconsistent with the terms of this agreement, except by and with the mutual consent of the Licensee and the Licensor.

The Licensee further covenants and agrees that no positive "talking motion picture" shall be leased by it directly to any exhibitor for the purpose of giving exhibitions thereof, except on and subject to the following terms and conditions, which the Licensee shall embody in any contract which it shall make with such exhibitor namely: (1) That the exhibitor shall use such "talking motion picture" at all times in connection with the sound record furnished by the Licensee with such picture and only on synchronized motion picture exhibiting and sound reproducing apparatus, the synchronizing devices of which have been made or imported by the Licensee, and the motion picture projecting machines of which are licensed by the Licensor under the said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, or one or more of them or under any other letters patent that it may hereafter acquire or control; and (2) that the exhibitor shall not make or permit others to make any reproductions commonly known as a "dupe" of such positive "talking motion pictures" or any other positive motion picture containing the invention of said reissued Letters Patent No. 12,192, and (3) that the exhibitor shall not sell or sub-lease or otherwise dispose of such "talking motion picture"; and (4) that the exhibitor shall not remove the trade-mark or trade-name or title from such positive "talking motion picture."

The Licensee further covenants and agrees that it will not lease any "talking motion pictures" to any exhibitor unless each motion picture projecting machine on which motion pictures are used by such exhibitor is regularly licensed by the Licensor and the license fees therefor are paid; and that the Licensee shall before supplying such exhibitor with "talking motion pictures" mail to the Licensor

at its office in New York City, a notice, giving the name of the exhibitor, the name and location of the place of exhibition (and, if requested to do so by the Licensor, its seating capacity, hours of exhibition and price of admission, and the number and make of the licensed projecting machine or machines), together with the date of commencement of the said leasing of "talking motion pictures" all in a form approved by the Licensor. The Licensee, when properly notified by the Licensor that the license fees of any exhibitor for any projecting machine have not been paid and that the license for such projecting machine is terminated, shall immediately cease to supply such exhibitor with "talking motion pictures."

The Licensee further covenants and agrees not to use "talking motion pictures" of its manufacture or importation in any theatre or place of exhibition owned or leased or controlled in whole or in part by it, with the exception, however, that the Licensee shall be at liberty to give exhibitions of such "talking motion pictures" without profit directly or indirectly and to possible or prospective lessees thereof.

(16) The Licensee further covenants and agrees not to knowingly allow "talking motion pictures" manufactured or imported by the Licensee under this agreement to be used or leased for use with any exhibiting or projecting machines not licensed by the Licensor under Letters Patent owned or controlled by it except by and with the consent of the Licensor. The Licensee also covenants and agrees to refrain from supplying such "talking motion pictures" manufactured under this agreement to any exhibitor who uses such pictures in violation of the conditions set forth in paragraph 15. or for use with any exhibiting or projecting machine, the license for which under the aforesaid Letters Patent has been terminated and after the Licensee has been notified of such termination by the Licensor. The Licensee also covenants and agrees, on notice from the Licensor, to refrain from supplying such "talking motion pictures" to any lessee who continues to sub-let such "talking motion pictures" to persons, firms or corporations using the same in exhibiting or projecting machines not licensed by the Licensor as aforesaid, or the license for which has been terminated, or who use the said "talking motion pictures" in violation of any of the conditions set forth in Paragraph 15. The Licensor covenants and agrees to promptly notify any such lessee who may so sub-let such

"talking motion picture" after it has knowledge of any such sub-letting, and to notify the Licensee and the additional licensees of the Licensor of the termination of any license for the use of any exhibiting or projecting machines under the aforesaid Letters Patent, or any of them, and of any such lessee who may so sub-let such motion pictures after being notified by it not to do so; and the Licensor further agrees to compel all such additional licensees to refrain from supplying motion pictures for use with any such exhibiting or projecting machines, the license for which has been so terminated, or to any such lessee.

(17) The Licensor and Licensee further mutually covenant and agree that if in any case suit is brought upon said reissued Letters Patent Nos. 12,037 and 12,192, or said Letters Patent Nos. 586,953 or 722,382, either of the claims of said reissued Letters Patent No. 12,192, or either of the first, second, or third claims of said reissued Letters Patent No. 12,037, or any of the claims in issue in any such suit upon said Letters Patent Nos. 586,953 or 722,382, is or are held invalid by a court that last hears and decides such suit, or should be held by such court not to be infringed, then, and in any such case, the Licensee may at once terminate this agreement and the license thereby granted, by giving notice of its election so to do by the Licensor.

(18) It is further mutually covenanted and agreed by and between the Licensor and Licensee that unless sooner terminated as hereinbefore or hereinafter provided, this agreement and the license granted thereby shall take effect on the day and year first above written, and shall continue until June 20, 1910, but that the Licensee may renew this agreement and license thereafter from year to year upon the same terms, conditions and stipulations as herein provided, by giving notice to the Licensor on or before April 20th of each year, beginning with the year 1910, of the Licensee's election to so renew this agreement and license, and upon the giving of each such notice this agreement and the license thereby granted shall be considered and treated by the Licensor and Licensee as renewed for a period of one year, beginning June 20th of the year following such notice, except that the last renewal period shall be for the period from June 20th, 1914, to August 26th, 1919, the date of expiration of the Letters Patent No. 707,934.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that if, during said original term or during any such renewal period, either party should, knowingly or through gross neglect or carelessness, be guilty of a breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, and should, for the period of forty (40) days after notice thereof from the other party, persist therein or fail to correct, repair or remedy the same, then in such case the party aggrieved may terminate this agreement by giving notice in writing to the guilty party of its intention so to do. It is, however, mutually covenanted and agreed by and between the Licensor and Licensee that if the guilty party should correct, repair or remedy such breach, violation or non-performance of its covenants, conditions and stipulations within the said period of forty (40) days after such notice, and should thereafter knowingly or through gross neglect or carelessness be guilty of a second breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, then and in such case, the party aggrieved may terminate this agreement by giving thirty (30) days' notice in writing to the guilty party of its intention so to do. Such termination of the agreement, however, shall not prejudice either party hereto in the recovery of damages because of any such breach, violation or non-conformance by the other party hereto.

(19) All notices provided for in this agreement shall be in writing and shall be given by delivering the same to the Licensor or Licensee, as the case may be, or to an officer of the Licensor or Licensee, as the case may be, or by depositing such notice, postage prepaid, in any Postoffice of the United States, in a sealed envelope, directed to the Licensor or the Licensee, as the case may be, at its last known Postoffice address, to be forwarded by registered mail.

(20) It is mutually covenanted and agreed by and between the Licensor and Licensee that after notice of the termination of this agreement and the license granted thereby by either party, as provided for in Paragraphs 19 and 21 of this agreement, and after the same have been terminated, no matter what the cause or manner of termination may be, neither this license agreement, nor the fact that the Licensee has entered into or acted under it, shall be used in any manner directly or indirectly, by or for the Licensor, its

successors, assigns or legal representatives, or by or for others with its or their consent or permission, against the Licensee, or the Licensee's successors or legal representatives, in any litigation, controversy or proceeding involving the Licensee or them or any other persons, firms or corporations, or in any other way, it being understood and agreed that upon such termination the positions and rights of the Licensor and Licensee shall be the same as if this agreement had not been made; provided, however, that the rights of neither party shall be prejudiced by such termination in the recovery of damages for any breach or other violation of this agreement by the other occurring prior to such termination.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENTS COMPANY,

By Frank L. Dyer,

President.

(Seal)

Attest:

George F. Scull,

Secretary.

GAUMONT COMPANY,

By L. Gaumont,

President.

(Seal)

Attest:

H. Blanche,

Secretary.

56.

The License Agreement under the Projecting Machine Patents
between

MOTION PICTURE PATENTS COMPANY

and

GAUMONT COMPANY of New York

dated the 2nd day of March, 1909,

is slightly different from the others, covering both the manufacture
and importation of projecting machines.

(This Agreement is missing.)

57.

AGREEMENT made this 2nd day of March, 1909, by and between the MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Jersey City in said State (hereinafter referred to as the "Patents Company") party of the first part, and the GAUMONT COMPANY, a corporation organized and existing under the laws of the State of New York, and having an office at New York City in said State, (hereinafter referred to as the "Gaumont Company") party of the second part.

(a) WHEREAS, the Gaumont Company represents that it contemplates acquiring all the right, title and interest in and to United States Letters Patent No. 544,480, granted to George Demeny, dated August 13, 1895, for Series Photographic Camera, and that it is willing and desirous of assigning the said Letters Patent to the Patents Company as soon as the Gaumont Company shall have acquired title to the said Letters Patent; and

(b) WHEREAS, the Gaumont Company represents that more than fifty per cent. (50%) of its capital stock is now owned and controlled by the Societe des Etablissements Gaumont, of Paris, France; and

(c) WHEREAS, the said Societe des Etablissements Gaumont has, by an agreement in writing, dated September 23, 1908, appointed George Kleine, of Chicago, Illinois, its sole agent for the importation into the United States of motion pictures of its manufacture, except "talking motion pictures"; and

(d) WHEREAS, the Patents Company has, by an agreement in writing, dated December 18, 1908, licensed the said George Kleine to import motion pictures manufactured by the said Societe des Etablissements Gaumont, under certain terms and conditions, one of which is, that if the said Societes des Etablissements Gaumont shall import or shall knowingly permit or knowingly be a party to the importation of said motion pictures by others than the said George Kleine, without the Patents Company's knowledge and consent, or shall manufacture motion pictures in the United States without the Patents Company's consent, then the license to the said Kleine, so far as it extends to the importation of motion pictures manufactured by the said Societe des Etablissements Gaumont, shall be terminated and cancelled, upon due notice; and

(e) WHEREAS, the Patents Company has, by an agreement of the 2nd day of March, 1909, licensed the Gaumont Company to manufacture, import, print and produce "talking motion pictures" embodying the inventions of reissued Letters Patent No. 12,192, under certain terms and conditions; and

(f) WHEREAS, the Patents Company is willing and desirous of securing an assignment of said Letters Patent No. 544,480, and relies upon the representations of the Gaumont Company.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

(1) The Gaumont Company in and by these presents for and in consideration of the sum of One Dollar (\$1), receipt of which is hereby acknowledged, and of the covenants of the Patents Company in this agreement, does agree to assign, transfer and set over unto the Patents Company the entire right, title and interest in and to said Letters Patent No. 544,480, and the inventions described and claimed therein, and the right to sue for and recover damages and profits for past infringement of the said Letters Patent, as soon as the Gaumont Company shall have acquired such rights, title and interest, *provided, however*, that the Gaumont Company shall reserve and retain to itself and its successors in business, the right and license, without the payment of any royalty therefor to the Patents Company, to make and use apparatus embodying the inventions of the said Letters Patent, and to make and sell such apparatus, provided that sales thereof, when such inventions are embodied in a camera, are made only to persons, firms and corporations, who or which are licensed by the Patents Company to manufacture motion pictures under reissued United States Letters Patent No. 12,192, owned by the Patents Company. The Gaumont Company further covenants and agrees to mark all such apparatus made by it with the words, "Patented Aug. 13, 1895."

(2) The Patents Company, in consideration of the covenants and agreements of the Gaumont Company herein set forth, covenants and agrees that in case it should become bankrupt, cease doing business or should be dissolved voluntarily or otherwise, or its Charter be repealed, or in case the license to the Gaumont Company referred to in Paragraph (e) hereof, should be terminated in any manner or for any reason whatsoever, or in case the said *Societe des Etablissements Gaumont* should no longer have the right and license from the Patents Company to import motion pictures either directly or through its agents, to the same extent as it now has through

the said license to George Kleine, or in case the Patents Company should assign or attempt to assign, said Letters Patent No. 544,480, to any person, firm or corporation without the written consent of the Gaumont Company, then on the happening of one or more of these events, this agreement shall cease and be void and of no effect and the aforesaid Letters Patent No. 544,480, and all right, title and interest in and to the same and any other thing or things, claims, actions and demands acquired by virtue hereof and of the said assignment shall revert to the said Gaumont Company or its successors in business or assigns, and the said Patents Company covenants and agrees that it will execute a reassignment of all the right, title and interest in and to the same to said Gaumont Company or its successors or assigns for and in consideration of the sum of One Dollar (\$1) ; and until such reassignment, said Patents Company covenants and agrees to hold the same for the purpose of the mutual protection and benefit of itself and said Gaumont Company, in order that the benefits accruing to both under the said licenses to said George Kleine and said Gaumont Company shall be enjoyed by each to their fullest extent.

(3) It is mutually covenanted and agreed by and between the Patents Company and the Gaumont Company, that this agreement shall take effect on the date hereof.

IN WITNESS WHEREOF the parties hereto have caused this agreement to be executed by their officers authorized to perform these acts, the day and year first above mentioned.

MOTION PICTURE PATENTS COMPANY,

By Frank L. Dyer,
President.

(Seal)

Attest:

George F. Scull,
Secretary.

GAUMONT COMPANY,

By L. Gaumont,
President.

(Seal)

Attest:

H. Blache,
Secretary.

58.

DEPARTMENT OF THE INTERIOR.
UNITED STATES PATENT OFFICE.

RECEIVED AND RECORDED on the 6th day of May, 1909,
in Liber K, 81, page 207 of Transfers of Patents.

IN TESTIMONY WHEREOF, I have caused the seal of the
Patent Office to be hereunto affixed.

Exd. E. H. G.
(Seal)

E. B. Moore,
Commissioner of Patents.

ASSIGNMENT.

WHEREAS, the GAUMONT COMPANY, a corporation organized and existing under the laws of the State of New York and having an office in New York City in said State, is possessed of the entire right, title and interest in and to the following named inventions and Letters Patent of the United States therefor, namely:

Patent No. 544,480, granted to George Demeny, dated August 13, 1895, for Series Photographic Camera; and

WHEREAS, the MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Jersey City in said State, desires to acquire the entire right, title and interest which the said Gaumont Company has in and to the aforesaid inventions and in and to the aforesaid Letters Patent, and to acquire the right to sue for past infringement of the aforesaid Letters Patent.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that for and in consideration of the sum of One Dollar, and of other good and valuable consideration, the receipt of which is hereby acknowledged, the said Gaumont Company, in and by these presents, does assign, transfer and set over unto the said Motion Picture Patents Company, and its successors in business the entire right, title and interest in and to the said inventions and the said Letters Patent of the United States, and the right to sue for and recover damages and profits for past infringement of said Letters Patent, and all right, title and interest in and to any reissue or reissues or extension or extensions of said Letters Patent, the same to be held and enjoyed by the said Motion Picture Patents Company and its successors in business to the full end of the term for which said Letters Patent of the United States is granted, reissued or extended,

as fully and entirely as the same would have been held and enjoyed by the said Gaumont Company if this assignment and sale had not been made, *provided, however*, that the said Gaumont Company hereby reserves and retains to itself and its successors in business the right and license, without the payment of any royalty therefor to the Motion Picture Patents Company, or its successors in business, to make and use apparatus embodying the inventions of the said Letters Patent and to make and sell such apparatus, provided that sales thereof when such inventions are embodied in a camera, are made only to persons, firms or corporations, who or which are licensed by the Motion Picture Patents Company to manufacture motion pictures under reissued United States Letters Patent No. 12,192, and *provided, further*, that if the said Motion Picture Patents Company hereafter transfers, without the written consent of the said Gaumont Company, any or all of the right, title and interest hereby assigned, all of such right, title and interest shall immediately revert to the said Gaumont Company.

The Gaumont Company hereby covenants that it has full right to convey the interest herein assigned, and that it has not executed and will not execute any agreement in conflict herewith.

IN WITNESS WHEREOF, the GAUMONT COMPANY has caused its corporate seal to be affixed hereto and its name to be subscribed hereto by its President, this 2d day of March, 1909.

GAUMONT COMPANY,

By L. Gaumont,
President.

(Seal)

Attest:

H. Blache,
Secretary.

STATE OF NEW YORK, }
COUNTY OF NEW YORK. } ss:

On this 5th day of March, 1909, before me personally came H. BLACHE, the Secretary of the GAUMONT COMPANY, with whom I am personally acquainted, who being by me duly sworn, deposed and said that he resides in New York City, and is the Secretary of the GAUMONT COMPANY, the corporation described in and which executed the foregoing instrument; and that he knows the corporate seal of the said company; that the seal affixed to the

said instrument is said corporate seal and is so affixed by order of the Board of Directors of the said company; and that he attested the same by subscribing his name to the said instrument as Secretary of the said company by like order.

H. Blache.

Sworn to and subscribed before me
this 5th day of March, 1909.

(Seal) William Johnston,
Notary Public, 21, New York County.

59.

The License Agreement under the Projecting Machine Patents
between

MOTION PICTURE PATENTS COMPANY

and

AMERICAN MUTOSCOPE & BIOGRAPH COMPANY,

dated 20 April, 1909,

is identical in terms with the foregoing License Agreement under
said Projecting Machine Patents between said Motion Picture
Patents Company and the Armat Moving Picture Company, ante
p. 279.

60.

THIS AGREEMENT, made and entered into this 15th day of June, 1909, between EASTMAN KODAK COMPANY, a New York corporation, having a place of business in the City of Rochester, in said State, (hereinafter called the Vendor), and

of (hereinafter called the Vendee), WITNESSETH THAT:

1. The Vendor, in consideration of the covenants and agreements hereinafter entered into by the Vendee, covenants and agrees as follows:

1a. To supply the Vendee with non-inflammable sensitized motion picture film, both positive and negative, in such quantities as the Vendee may require, for the manufacture of positive and negative motion pictures for the Vendee's business in the same in the United States, on condition, however, that if the total amount of such film required by its several customers therefor in the United States and in countries foreign thereto should at any time exceed its output of such film, then and in such case the Vendee shall be entitled only to the same proportion of its output of such film as said Vendee had of its total output of sensitized motion picture film the previous calendar year.

1b. To supply such non-inflammable sensitized motion picture film to the Vendee, for the purpose aforesaid, in the usual motion picture width, namely, approximately thirty-five (35) millimetres or one and three-eighths ($1\frac{3}{8}$) of an inch, and unperforated or perforated as the Vendee may require, at the following prices, f. o. b. at Rochester, New York.

Unperforated

Perforated

3 $\frac{1}{3}$ cents per running foot; 3 $\frac{3}{4}$ cents per running foot; (plus the patent royalty of the MOTION PICTURE PATENTS COMPANY that may be collected by the Vendor for such Company, if and so long as the Vendor is to collect the same for such Company). All such film to be in standard motion picture length of two hundred feet and four hundred feet, or sixty metres and one hundred and twenty metres, except that the Vendor reserves the right to supply such film in shorter length of one hundred feet or over, or thirty metres or over, to the extent of five per cent. and no more, of the total amount of such film supplied to the Vendee.

1c. Not to make any agreement between the date hereof and June 15th, 1912, with any person, firm or corporation to supply such person, firm or corporation, for any term beginning prior to June 15th, 1912, with its non-inflammable motion picture film perforated or unperforated and approximately thirty-five (35) millimetres in width, in countries foreign to the United States, at less than the following net prices f. o. b. at the following places: London, England, one and three-fourths ($1\frac{3}{4}$) pence per running foot; Paris, France, sixty (60) centimes per metre; Milan, Italy, sixty (60) centimes per metre; Berlin, Germany, fifty (50) pfennig per metre, and f. o. b. at other places in other foreign countries for as near similar prices as is practicable in the currency of such other foreign countries.

1d. Not to supply non-inflammable sensitized motion picture film to any person, firm or corporation for the manufacture of positive or negative motion pictures in the United States for less prices than those charged during the same time to the Vendee.

2. The Vendee in consideration of the covenants and agreements hereinbefore and hereinafter entered into by the Vendor, covenants and agrees as follows:—

2a. To purchase from the Vendor all the non-inflammable sensitized motion picture film, both negative and positive, required or used in the Vendee's business.

2b. To pay for all non-inflammable sensitized motion picture film supplied by the Vendor on delivery of the same or in such manner as may from time to time be prescribed by the Vendor.

2c. Not to manufacture or sell or be interested directly or indirectly in the manufacture or sale of, in the United States or elsewhere, any non-inflammable motion picture film whether sensitized or not, nor export from the United States any such film unless it has motion pictures developed thereon, (except sensitized negative film for the use of the Vendee's own operators), nor export to or import into, nor use or sell or otherwise dispose of in the United States any such film, unless it has motion pictures developed thereon.

3. It is mutually covenanted and agreed by and between the Vendor and Vendee as follows:—

3a. That the Vendor shall not be responsible for damages for any failure to supply non-inflammable sensitized motion picture film to the Vendee in quantities required by the Vendee in the

Vendee's aforesaid business, other than the said Vendee's proportion of the Vendor's output of the same as defined in paragraph 1a of this agreement, or for any failure to supply such film in quantities required by the Vendee in its aforesaid business, by circumstances or happenings beyond the control of the Vendor.

3b. That in case the Vendor fails, and continues to fail for a period of twenty (20) days, to supply its non-inflammable sensitized motion picture film in the quantities required by the Vendee for the Vendee's aforesaid business, the Vendee may purchase non-inflammable sensitized motion picture film from other manufacturers to complete the Vendee's immediate requirements, month by month only, until such time as the Vendor can supply said film. If, however, the Vendor should fail for a continuous period of one hundred and twenty (120) days to furnish its non-inflammable sensitized motion picture film to the Vendee in quantities required by the Vendee for the Vendee's aforesaid business (provided such quantities do not exceed twenty-five (25) per cent. more than the Vendee has received from the Vendor during a similar period immediately preceding said one hundred and twenty (120) days), then the Vendee shall have the right to terminate this agreement by giving thirty (30) days' notice in writing to the Vendor of its election so to do, which notice may be given by delivering the same to an officer of the Vendor, or by depositing such notice in any Postoffice of the United States in a sealed envelope directed to the Vendor at its last known Postoffice address.

3c. That the Vendor may reduce the prices provided for in paragraphs 1b and 1c if it should consider it commercially desirable to do so; but if the Vendor reduces the prices provided for in paragraph 1b it may make a corresponding reduction of the prices provided for in paragraph 1c, and if it reduces the prices provided for in paragraph 1c it shall make a corresponding reduction of the prices provided for in paragraph 1b.

3d. That the Vendee will not use the non-inflammable sensitized motion picture film supplied by the Vendor under this agreement in the production of negative or positive motion pictures (or reproductions commonly known as "duplicates" of the negative or positive motion pictures) of any other manufacturer or person, firm or corporation located either in the United States or in any foreign country; and that the Vendor will not knowingly supply such film

to persons, firms or corporations for the purpose of using such film in the business of making reproductions commonly known as "duplicates" of negative or positive motion pictures.

3e. That until the 15th day of September, 1909, the Vendee will not export or aid or enable others to export from the United States any non-inflammable positive motion picture film with motion pictures developed thereon; that until the 15th day of September, 1909, the Vendor will not supply any person, firm or corporation in countries foreign to the United States with non-inflammable motion picture film without an agreement with such person, firm or corporation in substance that the positive film so supplied shall be printed in such foreign countries, and, when developed, shall not be sold or otherwise disposed of or used in such foreign countries until after September 15, 1909; and further that if the Vendor should supply the Vendee with such film in foreign countries it shall be deemed to have been so supplied with a like agreement on the part of the Vendee.

3f. That by the expression non-inflammable motion picture film as used in this agreement, is meant transparent or translucent motion picture film having a cellulose acetate base instead of a nitro-cellulose base, of a width approximately thirty-five (35) millimetres or one and three-eighths ($1\frac{3}{8}$) of an inch.

3g. That this agreement is to continue until July 1st, 1912.

3h. That this agreement shall bind and inure to the benefit of the parties hereto and their and each of their successors, assigns or legal representatives.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

Witnesses: •

61.

1. AGREEMENT made this fifteenth day of June, 1909, by and between MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey and having an office at Jersey City, in said State, party of the first part (hereinafter referred to as the Patents Company), and EASTMAN KODAK COMPANY, a corporation organized and existing under the laws of the State of New York and having a place of business in the City of Rochester, in said State, party of the second part (hereinafter referred to as the Eastman Company), WITNESSETH:

2. WHEREAS, the Patents Company represents that it is organized to own, deal in and grant licenses under letters patent pertaining to the motion picture art, and that it is the owner of all the right, title and interest in and to United States Letters Patent:

No. 578,185, dated March 2, 1897, for Vitascope, granted Thomas Armat;

No. 580,749, dated April 13, 1897, for Vitascope, granted Thomas Armat;

No. 586,953, dated July 20, 1897, for Phantascope, granted Charles F. Jenkins and Thomas Armat;

No. 588,916, dated August 24, 1897, for Kinetoscope, granted Charles M. Campbell as assignee of Willard G. Steward and Ellis F. Frost;

No. 629,063, dated July 18, 1899, for Kinetoscopic Camera, granted American Mutoscope Company as assignee of Herman Casler;

No. 673,329, dated April 30, 1901, for Kinetoscope, granted The American Vitagraph Company as assignee of Albert E. Smith;

No. 673,992, dated May 14, 1901, for Vitascope, granted Thomas Armat;

No. 707,934, dated August 26, 1902, for Projecting Kinetoscope, granted E. & H. T. Anthony as assignee of Woodville Latham;

No. 722,382, dated March 10, 1903, for Animated Picture Apparatus, granted American Mutoscope & Biograph Company as assignee of John A. Pross;

No. 744,251, dated November 17, 1903; for Kinetoscope, granted Albert E. Smith;

No. 770,937, dated September 27, 1904, for Kinetoscope, granted The Vitagraph Company of America as assignee of Albert E. Smith;

No. 771,280, dated October 4, 1904, for Winding Reel, granted Albert E. Smith;

No. 785,205, dated March 21, 1905, for Flame-Shield for Kinetoscopes, granted The Vitagraph Company of America as assignee of William Ellwood, and

No. 785,237, dated March 21, 1905, for Film-Holder for Kinetoscopes, granted The Vitagraph Company of America as assignee of Albert E. Smith;

all of which said letters patent relate to improvements in the motion picture art, and that there are no outstanding licenses, shop rights, or other rights under said letters patent, or either of them, except licenses granted by the Patents Company to certain persons, firms and corporations to manufacture and sell exhibiting or projecting machines and to others to use such machines containing the inventions, or some of them, of said letters patent, a license for Parlor Kinetoscopes under letters patent Nos. 578,185, 580,749, 586,953 and 673,992, and certain alleged licenses under U. S. letters patents No. 586,953, which are in dispute, and excepting a license granted by the American Mutoscope & Biograph Company to the firm of Marvin and Casler to manufacture and sell cameras and exhibiting or projecting machines under letters patent owned by it (some of which are hereinbefore referred to) for use in foreign countries only, and excepting certain licenses granted by the Armat Motion Picture Company to the American Mutoscope & Biograph Company under letters patent Nos. 578,185, 580,749, 586,953, 588,916 and 673,992, and by the latter Company to the former Company under letters patent Nos. 707,934 and 722,382, which licenses, however, are by agreement between said parties suspended, and are not to be acted upon until the Patents Company becomes bankrupt, ceases doing business or shall be dissolved, voluntarily or otherwise, or its Charter shall be repealed; and

3. WHEREAS, the Patents Company further represents that it is the owner of all the right, title and interest in and to reissued letters patent of the United States No. 12,037 dated September 30, 1902, and No. 12,192, dated January 12, 1904, the original letters patent whereof are No. 589,168, and dated August 31, 1897; and

4. WHEREAS, the Patents Company further represents that it has licensed Pathe Freres, a New Jersey corporation, the Edison Manufacturing Company, also a New Jersey Corporation, the Biograph Company, a New Jersey corporation, the Kalem Company of New York, The Vitagraph Company of America, of New York, the Essanay Company of Chicago, Illinois, the Selig Polyscope Company, of Chicago, George Kleine, of Chicago, Illinois, and the Lubin Manufacturing Company, of Philadelphia, Pennsylvania, by agreements in writing which took effect January 1st, 1909, to manufacture, print and produce positive motion pictures embodying the inventions of said reissued letters patent No. 12,192, and to lease the same in the United States, its territories, dependencies and possessions (with the exception of its insular possessions and Alaska, therein referred to as the "lease territory") on film of a greater width than approximately one (1) inch, upon condition that they be used solely in exhibiting or projecting machines licensed by the Patents Company for the use of which a royalty or rent is paid by the user thereof while in use containing the inventions, or some of them, of said letters patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237; and to sell positive motion pictures containing the inventions of said reissued letters patent No. 12,192, on film of a width approximately one (1) inch or less in said "lease territory" and on film of any width in and for said insular possessions and Alaska and foreign countries, and with the exception of George Kleine to manufacture and use in the United States, its territories and possessions (hereinafter referred to as the "territory aforesaid") cameras or apparatus embodying the inventions of said reissued letters patent No. 12,037, and letters patent Nos. 629,063, and 707,934, all of which license agreements are upon substantially the same terms and conditions, except that the Edison Manufacturing Company is not to pay any royalties to the Patents Company, and except that George Kleine is prevented from manufacturing negative motion pictures in the "territory aforesaid" and from manufacturing from imported negative motion pictures, positive motion pictures, and importing in all more positive motion pictures than a certain number of thousand feet per week; and that the Patents Company may hereafter have other licensees (said licensees which it now has or may hereafter have being referred to hereinafter, for brevity, as the "Patents Company licensees"); and that

in case the Patents Company should become bankrupt, cease doing business or should be dissolved, voluntarily or otherwise, or its Charter should be repealed, then, on the happening of either of such events, the Patents Company is to forthwith assign to the Edison Manufacturing Company, its successors and assigns, the entire right, title and interest in and to said reissued letters patent Nos. 12,037 and 12,192, and the inventions therein set forth, together with all claims and demands, both at law and in equity, for infringements of said reissued letters patent, or either of them; and

5. WHEREAS, the Patents Company further represents that in and by the license agreements aforesaid with it, the licensees named therein are entitled to receive from the Patents Company a share of twenty-four (24) per cent. of the annual gross royalties or rents collected by or paid to the Patents Company for the use of all exhibiting or projecting machines containing any of the inventions described and claimed in the letters patent referred to in Paragraph 4, which twenty-four (24) per cent. of said annual gross royalties or rents shall be paid to the Eastman Company and the shares thereof to which said licensees are entitled shall be apportioned to and paid to such licensees by the Eastman Company as hereinafter provided; and

6. WHEREAS, the Patents Company further represents that in and by the license agreements aforesaid with it the licensees named therein are each obligated to use exclusively, in the manufacture, in the "territory aforesaid," of motion pictures made on translucent or transparent sensitized film, film designated in said agreements as "Licensed Film" manufactured and sold by a film manufacturer or manufacturers under an agreement in writing with the Patents Company; each of said license agreements further providing for the collection from the licensee named therein by such manufacturer or manufacturers of the following royalty or royalties for such "Licensed Film" of a width approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) purchased by said licensee during the year preceding June 20th, 1909, and during any year, counting from June 20th, 1909, during the continuance of the license agreement, and up to August 31, 1914, that is to say:— If such shipments of such "Licensed Film" to the licensee, on the orders of such licensee, for any such year, be four million running feet or less, a royalty of one-half ($\frac{1}{2}$) cent per running foot on the

total number of running feet for that year; if such shipments, on the orders of such licensee, of such "Licensed Film," for any such year, exceed four million running feet, but do not exceed six million running feet, a royalty of four and one-half ($4\frac{1}{2}$) mills per running foot on the total number of running feet for that year; if such shipments, on the orders of such licensee, of such "Licensed Film," for any such year, exceed six million running feet, but do not exceed eight million running feet, a royalty of four (4) mills per running foot on the total number of running feet for that year; if such shipments, on the orders of such licensee, of such "Licensed Film," for any such year, exceed eight million running feet, but do not exceed ten million running feet, a royalty of three and three-quarter ($3\frac{3}{4}$) mills per running foot on the total number of running feet for that year; and if such shipments, on the orders of such licensee, of such "Licensed Film," for any such year, exceed ten million running feet, a royalty of three and one-quarter ($3\frac{1}{4}$) mills per running foot for the total number of running feet for that year. And for "Licensed Film" narrower or wider than approximately one and three-eighths of an inch ($1\frac{3}{8}$ in.) or thirty-five (35) millimeters, the above mentioned royalties shall be reduced or increased in proportion to their reduction or increase for such narrower or wider film below or above the royalty on said "Licensed Film" of a width approximately one and three-eighths of an inch ($1\frac{3}{8}$ in.) or thirty-five (35) millimetres; and

7. WHEREAS, the Eastman Company represents that it has for many years past manufactured by secret processes and embodying secret compositions and patented inventions at said City of Rochester, State of New York, sensitized translucent or transparent film (having a nitro-cellulose base) suitable for use in the commercial manufacture, printing and production of negative and positive motion pictures, and has sold the same in the "territory aforesaid" and in foreign countries, the parties to the license agreements referred to in Paragraph 4 (with the exception of George Kleine) having been some of its customers therefor, and that it has special facilities for the manufacture of such film; and has entered into an agreement in writing dated on or about the 1st day of January, 1909, with the Patents Company, respecting, among other things, the supplying of such "Licensed Film" (having a nitrocellulose base) to persons, firms and corporations who have been licensed by

the Patents Company under said reissued letters patent No. 12,192, and the collecting therefrom of the royalties referred to in Paragraph 6 and the paying of the same to the Patents Company in a certain manner, a copy of which agreement is hereunto annexed marked "SCHEDULE A"; and

8. WHEREAS, the Eastman Company represents that it has for some time past been carrying on experiments to produce and is now manufacturing, by secret processes and embodying secret compositions, at said City of Rochester, State of New York, non-inflammable sensitized motion picture film (having a cellulose acetate base instead of a nitrocellulose base) suitable for use in the commercial manufacture, printing and production of negative and positive motion pictures; and

9. WHEREAS, the Patents Company, not being a manufacturer of such non-inflammable sensitized motion picture film, is desirous of availing itself of the manufacturing facilities of the Eastman Company by having it manufacture such film (having a cellulose acetate base) by its secret processes and embodying its secret compositions, and supply such film to the Patents Company licensees, and is also desirous of having the Eastman Company collect from the latter, for payment to the Patents Company, the royalties referred to in Paragraph 6 of this agreement, and to collect from the other persons, firms and corporations, as provided for in Paragraph 13 for payment to the Patents Company, the royalties provided for in Paragraph 17:

NOW, THEREFORE, the parties hereto, for and in consideration of the sum of one dollar by each paid to the other, the receipt of which is hereby acknowledged, and for other good and valuable considerations from each to the other moving, including the covenants and agreements hereinafter entered into by them, covenant and agree as follows:

10. The Patents Company hereby grants to the Eastman Company, and the latter accepts, for the term and subject to the covenants, conditions and stipulations hereinafter expressed, the sole and exclusive right and authority, for the "territory aforesaid," to manufacture the "Licensed Film" aforesaid (having a cellulose acetate base and hereinafter called "N. I. Licensed Film") and also other non-inflammable sensitized motion picture film suitable for the production commercially of positive and negative motion pictures, and

sell such "N. I. Licensed Film" to the "Patents Company licensees," and such other film to other persons, firms and corporations provided for in Paragraph 13 the right and authority hereby granted to the Eastman Company being sole and exclusive, even as to the Patents Company, in the "territory aforesaid," but, except as hereinafter provided, strictly limited to the manufacture of such "N. I. Licensed Film" and such other film and the sale of such "N. I. Licensed Film" to the "Patents Company licensees," and the sale of such other film to said other persons, firms and corporations, and not including any right to the Eastman Company, to manufacture, use or sell, in the "territory aforesaid," motion picture cameras embodying any invention covered by said reissued patent No. 12,037 and said letters patent numbers 629,063 and 707,934, except that the Eastman Company may and is hereby given the right to use such motion picture cameras as it may desire for its own use, including film testing; and it being further provided that the right and authority hereby granted is personal to, and not assignable or otherwise transferable in whole or in part, by the Eastman Company, which shall have no right to delegate any part thereof, or grant any right or privilege whatsoever thereunder or under either of said reissued letters patent Nos. 12,037 and 12,192, and letters patent Nos. 629,063 and 707,934, to any person, firm or corporation, unless the said Eastman Company should dispose of its entire motion picture film business to a single purchaser, in which case it may assign the right and authority hereby granted to it, together with all its rights under this agreement, to such purchaser, who shall then and thereafter be recognized and dealt with by the Patents Company as the successor of the Eastman Company in the ownership of said right and authority and all other rights of the Eastman Company under this agreement and be entitled to all the benefits and privileges thereof; but before any such purchaser shall be recognized as such assignee and successor of the Eastman Company, said purchaser shall first agree in writing to accept, act under, and perform the covenants, stipulations and conditions of this agreement.

11. The Patents Company covenants and agrees to promptly notify the Eastman Company of the names and addresses of all the "Patents Company licensees" to whom it has granted or may hereafter grant licenses, and of the dates when their license agreements take effect, in order that the Eastman Company may be advised as to whom it is to charge the royalty as hereinafter provided, and

also be able to compute the same, and also covenants and agrees to promptly notify the Eastman Company of the revocation, cancellation or termination otherwise of any license agreements with the "Patents Company licensees" so that the Eastman Company may know that such license agreements have been terminated.

12 The Patents Company further authorizes and empowers the Eastman Company to charge to and collect from each of the "Patents Company licensees" to whom the Eastman Company supplies such "N. I. Licensed Film," and pay over to it (said Patents Company), in the manner hereinafter provided for, the royalties referred to in Paragraph 6 of this agreement.

13. The Eastman Company covenants and agrees that, during the continuance of this agreement it will fill all orders for the "N. I. Licensed Film" aforesaid received by it from any of the "Patents Company licensees" (who have made or who may hereafter make an agreement with it, the same in all substantial respects as the one hereto annexed marked SCHEDULE B, and which the Patents Company hereby represents and agrees it has authorized and will authorize each said licensee to make) with reasonable diligence and at the prices hereinafter provided for, on condition, however, that if the total amount of non-inflammable sensitized motion picture film, suitable for the commercial production of negative and positive motion pictures, required by its several customers in the United States and in countries foreign thereto, should at any time during the continuance of this agreement, exceed its output of such film, then in such case each "Patents Company licensee" shall be entitled only to the same proportion of its output of such film that such licensee had of its total output of sensitized motion picture film the previous calendar year, and will manufacture all such "N. I. Licensed Film" by its secret processes and will embody therein its secret compositions, and that it will not, after the date hereof, and during the continuance of this agreement, knowingly furnish or sell, in the "territory aforesaid," except for export, as hereinafter provided for, such non-inflammable sensitized motion picture film for the commercial production of negative and positive motion pictures to anyone but the "Patents Company licensees," except to the extent of two and one-half ($2\frac{1}{2}$) per cent. of the total amount of such "N. I. Licensed Film" supplied to the "Patents Company licensees" from the date hereof to June 20, 1909, and to said "Patents Company

licensees" during any one year, counting from June 20, 1909, of the continuance of this agreement, which amount, of a width approximately one inch and three-eighths of an inch ($1\frac{3}{8}$) the Eastman Company (by and with the consent and authority of the Patents Company, which it hereby grants) reserves the right to furnish or supply to persons not engaged in the business of manufacturing, selling, loaning, renting out or otherwise disposing of or dealing in motion pictures in the "territory aforesaid;" and with the further exception that the Eastman Company (by and with the consent and authority of the Patents Company, which it hereby grants) reserves the right to manufacture and sell such non-inflammable sensitized motion picture film of a width not to exceed approximately one (1) inch in the "territory aforesaid" to persons, firms and corporations engaged in the business of manufacturing, selling, loaning, renting out or otherwise disposing of or dealing in motion pictures in the "territory aforesaid" upon condition, however, that in case any of them produces thereon any picture greater in size than approximately three-quarters ($\frac{3}{4}$) of an inch, on a line either parallel to or at right angles to the edge of said film, and the Eastman Company has knowledge thereof, it will cease supplying such film to any such person, firm or corporation and with the further express exception that the Eastman Company (by and with the consent and authority of the Patents Company, which it hereby grants) reserves the right to manufacture and sell, in the "territory aforesaid," such non-inflammable sensitized motion picture film of any width to persons, firms and corporations (not "Patents Company licensees") who had prior to January 1st, 1909, an established business of manufacturing motion pictures in any country foreign to the United States (hereinafter, for brevity, called "foreign manufacturers"), who now manufacture negative or positive motion pictures in the United States, or who may, after the date of this agreement, commence the manufacture of negative and positive motion pictures in the United States, and also to any person, firm or corporation who is now or may hereafter be one of the "Patents Company licensees" and who shall have ceased to be such a licensee; but such film so sold to "foreign manufacturers" and ex-licensees shall not be considered as licensed by the Patents Company for use in the manufacture of motion pictures, nor shall any royalty be charged or collected therefor by the Eastman Company.

14. The Eastman Company further covenants and agrees that it will mark conspicuously on each box or package containing such "N. I. Licensed Film," supplied by it to the "Patents Company licensees," the following words and figures:

"N. I. Licensed Film
Licensed for Use Only by Licensees
of the
Motion Picture Patents Company."

15. It is mutually covenanted and agreed by and between the Patents Company and the Eastman Company that the maximum prices to be charged by the Eastman Company to the "Patents Company licensees" during the continuance of this agreement shall be three and one-half ($3\frac{1}{2}$) cents net per running foot for non-perforated "N. I. Licensed Film" approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) in width, and three and three-quarters ($3\frac{3}{4}$) cents net per running foot for perforated "N. I. Licensed Film" approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) in width (which prices shall be reduced or increased in proportion to the reduction or increase in width of narrower or wider "N. I. Licensed Film" than that approximately one inch and three-eighths of an inch [$1\frac{3}{8}$ in.] in width) plus the royalties referred to in Paragraph 6 of this agreement, which are to be charged to the "Patents Company licensees" (except to the Edison Manufacturing Company); it being further covenanted and agreed, however, that the Eastman Company may reduce these prices of three and one-half ($3\frac{1}{2}$) and three and three-quarters ($3\frac{3}{4}$) cents, respectively, if it should consider it commercially desirable to do so, but in no case shall it reduce the aforesaid royalties to be charged to and collected by it from the "Patents Company licensees" for the Patents Company, without the consent of the latter.

16. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company that the royalties referred to in Paragraph 6 of this agreement shall not be charged by the Eastman Company to the Edison Manufacturing Company, but that the maximum prices to be charged by the Eastman Company to said Edison Manufacturing Company shall be (unless reduced as provided for in Paragraph 15, when the Edison Manufacturing Company shall have the benefit of such reduced price)

three and one ($3\frac{1}{2}$) cents net per running foot for non-perforated "N. I. Licensed Film" approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) in width, and three and three-quarters ($3\frac{3}{4}$) cents net per running foot for perforated "N. I. Licensed Film" approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) in width, which prices shall be reduced or increased in proportion to the reduction or increase in width of narrower or wider "N. I. Licensed Film" than that approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) in width.

17. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company, that on each sale of "N. I. Licensed Film" to the "Patents Company licensees" (with the exception of the Edison Manufacturing Company), the Eastman Company shall, in the first instance, that is to say, when such "N. I. Licensed Film" approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) in width, is billed and shipped by it, charge the licensees with its price of three and one-half ($3\frac{1}{2}$) cents or three and three-quarters ($3\frac{3}{4}$) cents, as the case may be, per running foot, plus the maximum royalty of five (5) mills per running foot, referred to in Paragraph 6 of this agreement, and on the expiration of each year, counting from June 20, 1909, shall adjust the royalty account of each licensee as to "N. I. Licensed Film," so billed and shipped to them and paid for by them, according to the royalty schedule set forth in said Paragraph 6, returning to the licensee any amount such licensee may have overpaid, according to said schedule, and paying the balance to the Patents Company; and that on each sale of the other non-inflammable sensitized motion picture film of a width approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) to the amount of two and one-half ($2\frac{1}{2}$) per cent. of the total amount of the "N. I. Licensed Film" supplied to the "Patents Company licensees" during any one year, counting from June 20, 1909, of the continuance of this agreement, to persons not engaged in the business of manufacturing, selling, loaning, renting out or otherwise disposing of or dealing in motion pictures in the "territory aforesaid," as provided for in Paragraph 13, the Eastman Company shall in the price charged for such film to the purchaser include a royalty of one-half ($\frac{1}{2}$) cent per running foot, and which royalty the Eastman Company is to pay to the Patents Company on such film sold by it which is paid for by the purchaser thereof; and

on each sale of said other film which is not to exceed approximately one inch (1 in.) in width, as provided for in Paragraph 13, the Eastman Company shall include in the price charged for such film to the purchaser thereof a royalty amounting to such proportion of one-half ($\frac{1}{2}$) cent per running foot as the width of such film bears to the film approximately one and three-eighths of an inch ($1\frac{3}{8}$ in.) in width, and which royalty the Eastman Company is to pay to the Patents Company on such film sold by it which is paid for by the purchaser thereof; such adjustment and payments to the licensees and the Patents Company to be made by the Eastman Company within thirty (30) days after the expiration of each such year, counting from June 20, 1909; it being provided, however, that during the continuance of the aforesaid agreement of January 1, 1909, the Eastman Company shall include in the adjustment and payments aforesaid such film having a nitrocellulose base as may have been billed and shipped or sold to and paid for by the licensees or purchasers aforesaid and on which it has charged and collected the royalty provided for in said agreement, said agreement being modified to this extent; and it being further provided that if, at the time such payment of royalties is due from the Eastman Company to the Patents Company, the Edison Manufacturing Company should be indebted to the Eastman Company for "N. I. Licensed Film" or "Licensed Film" with a nitrocellulose base or other supplies purchased from or furnished by the Eastman Company to the Edison Manufacturing Company during such year, the royalties shall be applied by it on account of such indebtedness, the balance, if any, remaining over such indebtedness, to be paid by the Eastman Company to the Patents Company, and a statement at the same time shall be given by the Eastman Company to the Patents Company of the amount of such indebtedness incurred after June 20, 1909, to which said royalties have been applied by it.

18. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company that in case any "foreign manufacturer" aforesaid has heretofore established or shall hereafter establish a business of manufacturing and selling positive or negative motion pictures in the United States, and shall be licensed by the Patents Company in and by a duly executed agreement in writing, the same in all substantial respects as the license agreements referred to in Paragraph 4, then, and from the time

such license agreement goes into effect, and said Eastman Company is notified thereof in writing by the Patents Company, the Eastman Company shall charge to and collect from such licensee the royalties referred to in Paragraph 6 of this agreement and pay the same to the Patents Company in the same manner as that provided for in Paragraph 17 respecting the charging to and collecting from the "Patents Company licensees" of royalties upon "N. I. Licensed Film" and paying the same to the Patents Company.

19. The Eastman Company further covenants and agrees that it will keep an accurate account of all "N. I. Licensed Film" supplied by it to the "Patents Company licensees" and other non-inflammable sensitized motion picture film supplied to the other persons, firms and corporations as provided for in Paragraphs 13 and 17, (with the exception of that supplied to ex-licensees and to "foreign manufacturers" who are not "Patents Company licensees") with the names and addresses of the purchasers and the date and amount of each purchase, and that with each yearly payment of royalty as hereinbefore provided for it will furnish the Patents Company with a statement in writing, verified by an officer of the Eastman Company having knowledge of the facts therein set forth (if the Patents Company shall so request) showing the total amount in running feet of such "N. I. Licensed Film" and said other film, shipped by it to all the "Patents Company licensees" and said other persons, firms and corporations (other than the ex-licensees and non-licensed "foreign manufacturers" just referred to) and paid for by them, during the preceding year, including in such account and statement, during the continuance of the aforesaid agreement of January 1, 1909, such film having a nitrocellulose base as may have been shipped to and paid for by the "Patents Company licensees" and said other persons, firms and corporations to whom it has been charged and from whom it has collected the royalty provided for in said agreement, said agreement being modified to this extent; but it is further mutually covenanted and agreed that the dealings between the Eastman Company and the "Patents Company licensees" shall,—from the date hereof, insofar as the number of running feet or anything that would tend to disclose the number of running feet shipped to or ordered by them, is concerned,—be a matter of confidence, even to the exclusion of the Patents Company, between such licensees and such other person, firm or corpora-

tion, as aforesaid, and the Eastman Company, and the latter shall not be at liberty to disclose, directly or indirectly, to the Patents Company or to any of the "Patents Company licensees" the number of such running feet of film so ordered by or shipped to any of the "Patents Company licensees," or such other persons, firms and corporations other than ex-licensees and non-licensed "foreign manufacturers" just referred to, and it is therefore mutually covenanted and agreed that all statements and payments of royalty from the Eastman Company to the Patents Company shall be in gross, without specifying the number of running feet of film, either by a statement of the number of running feet or the amount of royalties charged to and collected for or on account thereof.

20. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company, that if, notwithstanding the statements made by the Eastman Company to the Patents Company, the latter should be desirous of satisfying itself by having an examination made of the books of the Eastman Company as to the accuracy of the statements so made to it by the Eastman Company, it may have such examination made of the books of account of the Eastman Company so far as the same may relate to the sale by it of film to the "Patents Company licensees" and all other persons, firms and corporations, except ex-licensees and non-licensed "foreign manufacturers" hereinbefore referred to by the public accountants, Price, Waterhouse & Company, of New York, N. Y., or any other public accountants that may hereafter be agreed upon by the Patents Company and the Eastman Company.

21. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company that nothing herein contained shall interfere with or prevent the manufacture, sale or shipment, for export, by the Eastman Company, of sensitized non-inflammable motion picture film suitable for the commercial production of negative or positive motion pictures, without the payment of any royalty or other consideration therefor to the Patents Company, when such film addressed to the foreign purchaser, agent or consignee, is delivered to a vessel or to a transportation company for transportation to a foreign country, and not otherwise. The Eastman Company covenants and agrees that it will use all reasonable efforts to prevent the reimportation of any such film sold for export, into the United States in an unexposed

condition and that it will not sell any such film for export for the purpose of reimporting it into the United States in an unexposed condition.

22. The Patents Company further covenants and agrees that it will, during the continuance of this agreement, license such a number of persons, firms and corporations, under said letters patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, to make and sell exhibiting or projecting machines containing the inventions described and claimed in the same capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, and also such machines as will not be capable of exhibiting or projecting motion pictures on film of a greater width than approximately one (1) inch, as will be able to supply the demand for the same.

The Patents Company further covenants and agrees that it will not charge any such person, firm or corporation manufacturing and selling any such machine capable of exhibiting or projecting motion pictures on film of a greater width than approximately one (1) inch, more than Five (5) Dollars as a license fee for the manufacture and sale of each such exhibiting or projecting machine, and that it will impose no other conditions or restrictions upon the manufacture and sale of any such machines than that the sale and purchase thereof gives only the right to use them solely for exhibiting or projecting motion pictures containing the inventions of said reissued letters patent No. 12,192, leased by one of the "Patents Company licensees" and upon payment of a royalty or rental to the Patents Company while in use, to be fixed by it, and while the letters patent under which they are licensed are owned or controlled by the Patents Company, and that there shall be attached to each such machine a plate, in a conspicuous place, showing plainly, not only the date of the letters patent under which it is licensed, but also the aforesaid conditions and restrictions, and that such plate is not to be removed therefrom.

The Patents Company further covenants and agrees that it will not charge any person, firm or corporation making or selling any such machine capable of exhibiting or projecting motion pictures on film not wider than approximately one (1) inch a license fee of more than three (3) per cent. of the net retail selling price of each

such machine, and will impose no other conditions or restrictions upon the manufacture and sale of any such machines than that they be used solely for exhibiting or projecting motion pictures on film not wider than approximately one (1) inch in places where no admission fee is charged, and that there shall be attached to each such machine a plate, in a conspicuous place showing plainly, not only the dates of the letters patent under which it is licensed, but also the aforesaid conditions and restrictions, and that such plate is not to be removed therefrom.

The Patents Company further covenants and agrees, however, that it will grant licenses to such a number of persons, firms and corporations to manufacture and sell exhibiting or projecting machines containing the inventions described and claimed in the aforesaid letters patent now owned by the Patents Company, capable of exhibiting or projecting, by reflected light, motion pictures on film of any width, but not capable of exhibiting or projecting the same by transmitted light, as will be able to supply the demand for the same, upon the payment of a royalty or license fee not to exceed three (3) per cent. of the net retail selling price of each such machine, and that it will impose no other condition or restriction upon the manufacture and sale of any such machines than that they be used solely in places where no admission fee is charged, which condition shall appear on a plate to be attached to each such machine; and also that it will grant licenses to such persons, firms and corporations to manufacture and sell all such exhibiting or projecting machines referred to in this Paragraph 22, containing the inventions described and claimed in any letters patent that the Patents Company may hereafter own or control, subject to similar conditions or restrictions and upon the payment of additional license fees or royalties to be fixed by the Patents Company, the royalty or license fee, and all the conditions and restrictions of all the licenses referred to in this Paragraph 22, to be the same for all such licensees, except that such licenses may be granted to said Biograph Company and the said Armat Motion Picture Company without payment of royalty or license fees for the manufacture or sale of any such exhibiting or projecting machines; and to said Vitagraph Company of America upon its paying only four-fifths ($\frac{4}{5}$ ths) of the royalties or license fees provided for in this paragraph, on such machines, and to the Edison Manufacturing Com-

pany and said firm of Marvin and Casler, without paying any royalties or license fees on such machines sold *bona fide* for export.

23. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company that the Patents Company shall, within fifteen (15) days after June 20, 1909, pay to the Eastman Company twenty-four (24) per cent. of the gross royalties or rents collected by or paid to said Patents Company prior to June 20, 1909, for the use of exhibiting or projecting machines capable of exhibiting or projecting motion pictures on translucent or transparent film of a greater width than approximately one (1) inch licensed by it, containing any of the inventions described and claimed in the letters patent referred to in Paragraph 4, and in any other letters patent hereafter owned or controlled by the Patents Company, and also twenty-four (24) per cent. of the gross royalties or rents collected by or paid to the Patents Company for the use of such machines during each year, counting from June 20, 1909, and within fifteen (15) days from the end of each such year, the money so paid to the Eastman Company shall be apportioned and hereafter paid to the "Patents Company licensees" as follows:

Each such licensee shall have apportioned and paid to it by the Eastman Company, after each installment of said twenty-four per cent. (24%) of said gross royalties is paid to the Eastman Company by the Patents Company, such a share thereof as the number of thousand feet of film (whether "N. I. Licensed Film" or "Licensed Film" supplied under the aforesaid agreement of January 1, 1909, which is modified to this extent) of a greater width than approximately one (1) inch ordered by and shipped to such licensee, added to the number of thousand running feet of film of a greater width than approximately one (1) inch having positive motion pictures thereon, imported by such licensee (if such licensee has imported the same) during the period for which such installment is paid to the Eastman Company, bears to the total number of thousand running feet of such film ordered by and shipped to all of the "Patents Company licensees," added to the total number of running feet of film of a greater width than approximately one (1) inch having positive motion pictures thereon imported by all such licensees, during the period for which said installment is paid to the Eastman Company, after deducting the amount of such film of a greater width

than approximately one (1) inch ordered by and shipped to the Edison Company and the Biograph Company during the period for which such installment is paid to the Eastman Company, which two latter Companies are not to share in or be paid any part of said twenty-four (24) per cent. of the gross royalties or rents; that such apportionment shall be made as aforesaid through Price, Waterhouse & Company, chartered accountants, or through some other accountants that may hereafter be mutually agreed upon by and between the Eastman Company and the Patents Company, and the "Patents Company licensees," and the Eastman Company shall pay to the "Patents Company licensees" their respective shares of each installment of said twenty-four per cent. (24%) of said gross royalties or rents provided for in this paragraph after receiving the same, and after the same have been so apportioned, without disclosing, directly or indirectly, to the Patents Company or to any of the "Patents Company licensees" the share apportioned or paid to any of such licensees; that the Patents Company shall furnish to the Eastman Company a statement of the number of thousand running feet of such film of a greater width than approximately one (1) inch having positive motion pictures thereon imported by all the "Patents Company licensees" during the period for which each said installment is paid to the Eastman Company, in order that the said apportionment may be made.

24. That in case the Eastman Company should be, at any time during the continuance of this agreement, wholly or partly unable to supply the "Patents Company licensees" with "N. I. Licensed Film" then and in such case the number of running feet of film which the "Patents Company licensees" shall, during and to the extent of such inability, necessarily obtain from other manufacturers designated by the Patents Company, shall be ascertained by the Patents Company, and reported by it to the Eastman Company who shall add it to the film actually shipped by it to such "Patents Company licensees" and paid for by them for the purpose of adjusting the rates of royalty provided for in Paragraph 17 and making the apportionment, provided for in Paragraph 23.

25. That in case the Eastman Company fails, and continues to fail for a period of twenty (20) days, to supply "N. I. Licensed Film" in the quantities required by the "Patents Company licensees," for actual use in the manufacture, in the "territory aforesaid," of

motion pictures, the Patents Company may designate some other manufacturer or manufacturers of film from whom the "Patents Company licensees" may then purchase non-inflammable "Licensed Film" to complete their immediate requirements, month by month only, until such time as the Eastman Company can supply said film; but if the Eastman Company should fail for a continuous period of one hundred and twenty days to furnish such "N. I. Licensed Film" to the "Patents Company licensees" in quantities required by the latter for actual use in the manufacture, in the "territory aforesaid," of motion pictures (provided such quantity for any such licensee does not exceed twenty-five per cent (25%) more than such licensee had received from the Eastman Company during a similar period immediately preceding said one hundred and twenty (120) days, then the Patents Company may designate some other manufacturer or manufacturers in place of or in addition to the Eastman Company to supply "N. I. Licensed Film" to the "Patents Company licensees," and the Eastman Company shall then be at liberty to manufacture non-inflammable sensitized motion picture film and sell the same in the "territory aforesaid" to any person, firm or corporation other than "Patents Company licensees" wishing to purchase the same, but it shall not be obligated to collect for and pay to the Patents Company the royalty hereinbefore provided for on such film, except on such film as it may sell to the "Patents Company licensees," and insofar as such film may be sold to others than such licensees, such film shall not be considered as licensed by the Patents Company for use in the manufacture of motion pictures.

26. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company that the Eastman Company shall not be responsible for damages for any failure to fill all orders for "N. I. Licensed Film" to the "Patents Company licensees" other than the proportion each "Patents Company licensee" is entitled to as defined in Paragraph 13, or for any failure to fill such orders by circumstances or happenings beyond its control.

27. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company that this agreement shall take effect June 20, 1909, and unless sooner terminated as hereinafter provided, shall continue until July 1, 1912.

28. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company that in case the Patents Company should become bankrupt, cease doing business or should be dissolved, voluntarily or otherwise, or its charter should be repealed, the Patents Company shall immediately give notice of the same to the Eastman Company, and upon the happening of either of such events, this agreement shall be deemed terminated and at an end by the parties hereto; and that after notice of termination of this agreement, and after it is terminated, no matter what the cause or manner of termination may be, neither this agreement, nor the fact that the Eastman Company has entered into or acted under it shall be used in any manner, directly or indirectly, by or for the Patents Company, its successors, assigns, or legal representatives, or by or for others, against the Eastman Company, or its successors or legal representatives, in any litigation, controversy or proceeding involving it or them, or any other persons, firms or corporations, or in any other way—it being understood and agreed that upon such termination the positions and rights of the Patents Company and the Eastman Company shall be the same as if this agreement had not been made; provided, however, that the rights of neither party shall be prejudiced by such termination in the recovery of damages for any breach or other violation of this agreement by the other occurring prior to such termination.

29. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company that all notices provided for in this agreement shall be in writing and shall be given by delivering the same to an officer of the Patents Company or the Eastman Company, as the case may be, or by depositing such notice, postage prepaid, in any Post Office of the United States in a sealed envelope, directed to the Patents Company or the Eastman Company, as the case may be, at its last known Post Office address, to be forwarded by registered mail.

30. It is mutually covenanted and agreed by and between the Patents Company and the Eastman Company that this agreement shall bind and inure to the benefit of the Patents Company, its successors, assigns and legal representatives, and the Eastman Company and its successors as defined in Paragraph 10 of this agreement.

IN WITNESS WHEREOF the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

Attest:

Alice K. Whitney,
Asst. Secretary.
(SEAL.)

Witnesses to signature of

Geo. Eastman
Frank M. Crouch,
Jack L. Inham.

EASTMAN KODAK CO.,

By Geo. Eastman, Treas.

MOTION PICTURE PATENTS COMPANY,

By Frank L. Dyer,
President.

Attest:

George F. Scull,
Secretary.
(SEAL.)

SCHEDULE A.

1. AGREEMENT made this first day of January, 1909, by and between MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey and having an office at Jersey City, in said State, party of the first part (hereinafter referred to as the PATENTS COMPANY); the EDISON MANUFACTURING COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Orange, in said State, party of the second part (hereinafter referred to as the EDISON COMPANY), and the EASTMAN KODAK COMPANY, a corporation organized and existing under the laws of the State of New York and having a place of business at the City of Rochester, in said State, party of the third part (hereinafter referred to as the EASTMAN COMPANY), WITNESSETH:

2. WHEREAS, the Patents Company represents that it is organized to own, deal in and grant licenses under letters patent pertaining to the motion picture art, and that it is the owner of all

the right, title and interest in and to United States Letters Patent:

No. 578,185, dated March 2, 1897, for Vitascope, granted Thomas Armat;

No. 580,749, dated April 13, 1897, for Vitascope, granted Thomas Armat;

No. 586,953, dated July 20, 1897, for Phantascope, granted Charles F. Jenkins and Thomas Armat;

No. 588, 916, dated August 24, 1897, for Kinetoscope, granted Charles M. Campbell as assignee of Willard G. Steward and Ellis F. Frost;

No. 629,063, dated July 18, 1899, for Kinetoscopic Camera, granted American Mutoscope Company as assignee of Herman Casler;

No. 673,329, dated April 30, 1901, for Kinetoscope, granted The American Vitagraph Company as assignee of Albert E. Smith;

No. 673,992, dated May 14, 1901, for Vitascope, granted Thomas Armat;

No. 707,934, dated August 26, 1902, for Projecting Kinetoscope, granted E. & H. T. Anthony as assignees of Woodville Latham;

No. 722,382, dated March 10, 1903, for Animated Picture Apparatus, granted to American Mutoscope & Biograph Company as assignee of John A. Pross;

No. 744,251, dated November 17, 1903, for Kinetoscope, granted Albert E. Smith;

No. 770,937, dated September 27, 1904, for Kinetoscope, granted The Vitagraph Company of America as assignee of Albert E. Smith;

No. 771,280, dated October 4, 1904, for Winding Reel, granted Albert E. Smith;

No. 785,205, dated March 21, 1905, for Flame-Shield for Kinetoscopes, granted The Vitagraph Company of America as assignee of William Ellwood, and

No. 785,237, dated March 21, 1905, for Film-Holder for Kinetoscopes, granted The Vitagraph Company of America as assignee of Albert E. Smith;

all of which said letters patent relate to improvements in the motion picture art, and that there are no outstanding licenses, shop rights, or other rights under said letters patent, or either of them, except a license for Parlor Kinetoscopes under letters patent Nos. 578,185, 580,749, 586,953 and 673,992, and certain alleged licenses

under U. S. letters patent No. 586,953, which are in dispute, and excepting a license granted by the American Mutoscope & Biograph Company to the firm of Marvin and Casler to manufacture and sell cameras and exhibiting or projecting machines under letters patent owned by it (some of which are hereinbefore referred to) for use in foreign countries only, and excepting certain licenses granted by the Armat Motion Picture Company to the American Mutoscope & Biograph Company under letters patent Nos. 578,185, 580,749, 586,953, 588,916 and 673,992, and by the latter Company to the former Company under letters patent Nos. 707,934 and 722,382, which licenses, however, are by agreement between said parties, suspended and are not to be acted upon until the Patents Company becomes bankrupt, ceases doing business or shall be dissolved, voluntarily or otherwise, or its Charter shall be repealed; and

3. WHEREAS, the Patents Company further represents that it is the owner of all the right, title and interest in and to reissued letters patent of the United States No. 12,037, dated September 30, 1902, and No. 12,192, dated January 12, 1904, the original letters patent whereof are No. 589,168 and dated August 31, 1897, and that there are no outstanding licenses, shop rights or other rights under said reissued letters patent, or either of them, except license agreements thereunder between the Edison Company and Pathe Freres, a corporation organized and existing under the laws of the State of New Jersey and having an office at Jersey City, in said State, dated May 20, 1908, (which went into effect June 20, 1908), and between the Edison Company and the Kalem Company, of New York; the Essanay Company, of Chicago, Illinois; Siegmund Lubin, of Philadelphia, Pennsylvania; George Melies Company, of said Chicago; the Selig Polyscope Company, of said Chicago, and The Vitagraph Company of America, of New York, all dated January 31, 1908; and

4. WHEREAS, the Patents Company further represents that it has licensed each of the parties to the license agreements mentioned in Paragraph 3, including the Edison Company, (with the exception of said George Melies Company) and also the American Mutoscope & Biograph Company, of New York, and George Kleine, of Chicago, Illinois, by agreements in writing to take effect January 1st, 1909, to manufacture and use in the United States, its territories and possessions (hereinafter referred to as the "territory aforesaid") cameras or apparatus embodying the inventions of

said reissued letters patent No. 12,037 and letters patent Nos. 629,063 and 707,934, and to manufacture, print and produce positive motion pictures embodying the inventions of said reissued letters patent No. 12,192, and to lease the same in the United States, its territories, dependencies and possessions (with the exception of its insular possessions and Alaska, therein referred to as the "lease territory") on film of a greater width than approximately one (1) inch, upon condition that they be used solely in exhibiting or projecting machines licensed by the Patents Company for the use of which a royalty or rent is paid by the user thereof while in use containing the inventions, or some of them, of said letters patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and to sell positive motion pictures containing the inventions of said reissued letters patent number 12,192, on film of a width approximately one (1) inch or less in said "lease territory," and on film of any width in and for said insular possessions and Alaska and foreign countries, all of which license agreements are upon substantially the same terms and conditions, except that the Edison Company is not to pay any royalties to the Patents Company, and except that George Kleine is prevented from manufacturing negative motion pictures in the "territory aforesaid" and from manufacturing from imported negative motion pictures, positive motion pictures, and importing in all more positive motion pictures than a certain number of thousand feet per week; and that the Patents Company may hereafter have other licensees (said licensees which it now has or may hereafter have being referred to hereinafter, for brevity, as the "Patents Company licensees"); and that in case the Patents Company should become bankrupt, cease doing business or should be dissolved, voluntarily or otherwise, or its Charter should be repealed, then, on the happening of either of such events, the Patents Company is to forthwith assign to the Edison Company, its successors and assigns, the entire right, title and interest in and to said reissued letters patent Nos. 12,037 and 12,192, and the inventions therein set forth, together with all claims and demands, both at law and in equity, for infringement of said reissued letters patent, or either of them, and also on the happening of either of such events, all of the said license agreements hereinbefore referred to in this paragraph are to forthwith terminate and be at an end; and that the license agreements of the parties referred to in

Paragraph 3 have been suspended, except that any one of them is to terminate on the termination of the hereinbefore mentioned agreement between the same party as licensee and the Patents Company, before the happening of either of such events, and forthwith and simultaneously with the happening of either of such events (if before August 31, 1914), all of said license agreements referred to in Paragraph 3, that have not been so terminated, shall be and become of full force and effect, subject to continuation and termination thereof as therein provided; and

5. WHEREAS, the Patents Company further represents that in and by the license agreements aforesaid with it, the licensees named therein are entitled to receive from the Patents Company a share of twenty-four (24) per cent. of the annual gross royalties or rents collected by or paid to the Patents Company for the use of all exhibiting or projecting machines containing any of the inventions described and claimed in the letters patent referred to in Paragraph 4, which twenty-four (24) per cent. of said annual gross royalties or rents shall be paid to the Eastman Company and the shares thereof to which said licensees are entitled shall be apportioned to and paid to such licensees by the Eastman Company as hereinafter provided; and

6. WHEREAS, the Patents Company further represents that in and by the license agreements aforesaid with it the licensees named therein are each obligated to use exclusively in the manufacture, in the "territory aforesaid," of motion pictures made on translucent or transparent sensitized film, designated in said agreements as "Licensed Film" manufactured and sold by a film manufacturer or manufacturers under an agreement in writing with the Patents Company; each of said license agreements further providing for the collection from the licensee named therein by such manufacturer or manufacturers of the following royalty or royalties for such "Licensed Film" of a width approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) purchased by said licensee during the year preceding June 20th, 1909, and during any year, counting from June 20th, 1909, during the continuance of the license agreement, and up to August 31, 1914, that is to say:— If such shipments of such "Licensed Film" to the licensee, on the orders of such licensee, for any such year, be four million running feet or less, a royalty of one-half ($\frac{1}{2}$) cent per running foot on

the total number of running feet for that year; if such shipments on the orders of such licensee, of such "Licensed Film," for any such year, exceed four million running feet, but do not exceed six million running feet, a royalty of four and one-half ($4\frac{1}{2}$) mills per running foot on the total number of running feet for that year; if such shipments, on the orders of such licensee, of such "Licensed Film," for any such year, exceed six million running feet, but do not exceed eight million running feet, a royalty of four (4) mills per running foot on the total number of running feet for that year; if such shipments, on the orders of such licensee, of such "Licensed Film," for any such year, exceed eight million running feet but do not exceed ten million running feet, a royalty of three and three-quarter ($3\frac{3}{4}$) mills per running foot on the total number of running feet for that year; and if such shipments, on the orders of such licensee, of such "Licensed Film," for any such year, exceed ten million running feet, a royalty of three and one-quarter ($3\frac{1}{4}$) mills per running foot for the total number of running feet for that year. And for "Licensed Film" narrower or wider than approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) or thirty-five (35) millimeters, the above mentioned royalties shall be reduced or increased in proportion to the reduction or increase in width of such narrower or wider "Licensed Film" below or above the width of such "Licensed Film" of a width approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.); and

7. WHEREAS, the Eastman Company represents that it has heretofore manufactured by secret processes and embodying secret compositions and patented invention at said City of Rochester, State of New York, sensitized translucent or transparent film (having a nitrocellulose base) suitable for use in the commercial manufacture, printing and production of negative and positive motion pictures, and has sold the same in the "territory aforesaid" and in foreign countries, the parties to the license agreements mentioned in Paragraph 3 having been some of its customers therefor, and that it has special facilities for the manufacture of such film; and

8. WHEREAS, the Edison Company, not being a manufacturer of translucent or transparent sensitized film suitable for use in the manufacture, printing or production of motion pictures, entered into two agreements in writing with the Eastman Company bearing date on or about the 20th day of May, 1908, respecting the

manufacture of such film, and the supplying of the same to said Edison Company and to the licensees of the license agreements with the Edison Company mentioned in said Paragraph 3, and the collecting from such parties and the payment by it to the Edison Company of certain royalties upon such film; and

9. WHEREAS, the Edison Company and the Eastman Company are desirous of terminating and cancelling said two agreements in writing, and the Patents Company not being a manufacturer of translucent or transparent sensitized film suitable for use in the manufacture, printing or production of motion pictures, is desirous of availing itself of the manufacturing facilities therefor of the Eastman Company by having it manufacture such film (having a nitrocellulose base) by its present secret processes and embodying its present secret compositions and patented invention and supply such film to the "Patents Company licensees," and is also desirous of having the Eastman Company collect from the latter, for payment to the Patents Company, the royalties referred to in Paragraph 4 of this agreement, and to collect from the other persons, firms and corporations, as provided for in Paragraph 14, for payment to the Patents Company, the royalties provided for in Paragraph 17;

NOW THEREFORE, the parties hereto, for and in consideration of the sum of one dollar to each paid by the other, the receipt of which is hereby acknowledged, and for other good and valuable considerations from each to the other moving, including the covenants and agreements hereinafter entered into by them, do covenant and agree as follows:—

10. The Patents Company hereby grants to the Eastman Company, and the latter accepts, for the term and subject to the covenants, conditions and stipulations hereinafter expressed, the sole and exclusive right and authority, for the "territory aforesaid," to manufacture the "Licensed Film" aforesaid, and also such other translucent or transparent sensitized film suitable for the production commercially of positive and negative motion pictures, and sell such "Licensed Film" to the "Patents Company licensees," and such other film to other persons, firms and corporations as provided for in Paragraph 14, the right and authority hereby granted to the Eastman Company being sole and exclusive, even as to the Patents Company, in the "territory aforesaid," but, except as here-

inafter provided, strictly limited to the manufacture of such "Licensed Film" and such other film and the sale of such "Licensed Film" to the "Patents Company licensees," and the sale of such other film to said other persons, firms and corporations, and not including any right to the Eastman Company to manufacture, use or sell, in the "territory aforesaid," motion picture cameras embodying any invention covered by said reissued patent No. 12,037 and said letters patent Nos. 629,063 and 707,934, except that the Eastman Company may and is hereby given the right to use such motion picture cameras as it may desire for its own use, including film testing; and it being further provided that the right and authority hereby granted is personal to, and not assignable or otherwise transferable, in whole or in part, by the Eastman Company, which shall have no right to delegate any part thereof, or grant any right or privilege whatsoever thereunder or under either of said reissued letters patent Nos. 12,037 and 12,192, and letters patent Nos. 629,063 and 707,934, to any person, firm or corporation, unless the said Eastman Company should dispose of its entire motion picture film business to a single purchaser, in which case it may assign the right and authority hereby granted to it, together with all its rights under this agreement, to such purchaser, who shall then and thereafter be recognized and dealt with by the Patents Company as the successor of the Eastman Company in the ownership of said right and authority and all other rights of the Eastman Company under this agreement and be entitled to all the benefits and privileges thereof; but before any such purchaser shall be recognized as such assignee and successor of the Eastman Company, said purchaser shall first agree in writing to accept, act under, and perform the covenants, stipulations and conditions of this agreement.

11. The Patents Company covenants and agrees to promptly notify the Eastman Company of the names and addresses of all the "Patents Company licensees" to whom it has granted or may hereafter grant licenses, and of the dates when their license agreements take effect, in order that the Eastman Company may be advised as to whom it is to sell the "Licensed Film" aforesaid, and also be able to compute the royalty referred to in Paragraph 6, and also covenants and agrees to promptly notify the Eastman Company of the revocation, cancellation or termination otherwise of any license agreements with the "Patents Company licensees" so that

the Eastman Company may know that such license agreements have been terminated and discontinue the sale of such "Licensed Film" to such persons, firms and corporations named therein; it being understood that when any such license is so terminated, the licensee named therein shall cease to be one of the "Patents Company licensees" and that the Eastman Company shall, immediately upon being so notified of the fact, discontinue the sale of such "Licensed Film" to such licensee.

12. The Patents Company further authorizes and empowers the Eastman Company to charge to and collect from each of the "Patents Company licensees" to whom the Eastman Company supplies such "Licensed Film," and pay over to it (said Patents Company), in the manner hereinafter provided for, the royalties referred to in Paragraph 6 of this agreement.

13. The Patents Company, for itself, its successors, assigns and legal representatives, hereby releases, acquits and discharges the Eastman Company from any and all claims, demands and liability for profits and damages because of any infringement by the Eastman Company of said letters patent Nos. 629,063 and 707,934, or either of them, or the use of the inventions covered thereby prior to the date hereof.

14. The Eastman Company covenants and agrees that during the continuance of this agreement it will fill all orders for the "Licensed Film" aforesaid received by it from the "Patents Company licensees" with reasonable diligence and at the prices hereinafter provided for, if it is satisfied that they are and will be able to pay for the same, and will manufacture all such "Licensed Film" (having a nitrocellulose base), by its present secret processes and will embody therein its present secret compositions and patented invention, and that it will not, after the date hereof, and during the continuance of this agreement knowingly furnish or sell, in the "territory aforesaid," except for export, as hereinafter provided for, such sensitized film for the commercial production of negative and positive motion pictures to anyone but the "Patents Company licensees," except to the extent of two and one-half (2½) per cent. of the total amount of such "Licensed Film" supplied to the parties to the license agreements referred to in Paragraph 3 and prior to the date hereof and to the "Patents Company licensees" from the date hereof to June 20, 1909, and to said "Patents Company licen-

sees" during any one year, counting from June 20, 1909, of the continuance of this agreement, which amount, of a width approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) the Eastman Company has furnished prior to the date hereof by and with the authority of the Edison Company, and from the date hereof the Eastman Company (by and with the consent and authority of the Patents Company, which it hereby grants) reserves the right to furnish or supply to persons not engaged in the business of manufacturing, selling, loaning, renting out or otherwise disposing of or dealing in motion pictures in the "territory aforesaid," and with the further exception that the Eastman Company (by and with the consent and authority of the Patents Company, which it hereby grants) reserves the right to manufacture and sell such translucent or transparent sensitized film suitable for the commercial production of negative and positive motion pictures of a width not to exceed approximately one (1) inch in the "territory aforesaid" to persons, firms and corporations engaged in the business of manufacturing, selling, loaning, renting out or otherwise disposing of or dealing in motion pictures in the "territory aforesaid" upon condition, however, that in case any of them produces thereon any picture greater in size than approximately three-quarters ($\frac{3}{4}$) of an inch, on a line either parallel to or at right angles to the edge of said film, and the Eastman Company has knowledge thereof, it will cease supplying such film to any such person, firm or corporation; and with the further express exception that the Eastman Company (by and with the consent and authority of the Patents Company, which it hereby grants) reserves the right to manufacture and sell, in the "territory aforesaid," such translucent or transparent sensitized film suitable for the commercial production of negative and positive motion pictures of any width to persons, firms and corporations (not "Patents Company licensees") now having an established business of manufacturing motion pictures in any country foreign to the United States (hereinafter, for brevity, called "foreign manufacturers"), who now manufacture negative or positive motion pictures in the United States, or who may, after the date of this agreement, commence the manufacture of negative and positive motion pictures in the United States.

15. The Eastman Company further covenants and agrees that it will mark conspicuously on each box or package containing such

"Licensed Film," supplied by it to the "Patents Company licensees," the following words and figures:

"LICENSED FILM.

Licensed for Use Only by Licensees
of the

MOTION PICTURE PATENTS COMPANY."

16. It is mutually covenanted and agreed by and between the Patents Company and the Eastman Company that the maximum prices to be charged by the Eastman Company to the "Patents Company licensees" during the continuance of this agreement shall be three cents net per running foot for non-perforated "Licensed Film" (having a nitrocellulose base) approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) in width, and three and one-quarter ($3\frac{1}{4}$) cents net per running foot for perforated "Licensed Film" (having a nitrocellulose base) approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) in width (which prices shall be reduced or increased in proportion to the reduction or increase in width of narrower or wider "Licensed Film" than that approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) in width) plus the royalties referred to in Paragraph 6 of this agreement, which are to be charged to the "Patents Company licensees" (except to the Edison Company); it being further covenanted and agreed, however, that the Eastman Company may reduce these prices of three (3) and three and one-quarter ($3\frac{1}{4}$) cents, respectively, if it should consider it commercially desirable to do so, but in no case shall it reduce the aforesaid royalties to be charged to and collected by it from the "Patents Company licensees" for the Patents Company, without the consent of the latter.

17. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company that the royalties referred to in Paragraph 6 of this agreement shall not be charged by the Eastman Company to the Edison Company, but that the maximum prices to be charged by the Eastman Company to said Edison Company shall be (unless reduced as provided for in Paragraph 16, when the Edison Company shall have the benefit of such reduced price) three (3) cents net per running foot for non-perforated "Licensed Film" (having a nitrocellulose base) approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) in width, and three and one-quarter ($3\frac{1}{4}$) cents net per running foot for perfo-

rated "Licensed Film" (having a nitrocellulose base) approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) in width, which prices shall be reduced or increased in proportion to the reduction or increase in width of narrower or wider "Licensed Film" than that approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) in width.

18. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company, that on each sale of "Licensed Film" to the "Patents Company licensees" (with the exception of the Edison Company), the Eastman Company shall, in the first instance, that is to say, when such "Licensed Film" approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) in width, is billed and shipped by it, charge the licensees with its price of three (3) cents or three and one-quarter ($3\frac{1}{4}$) cents, as the case may be, per running foot, plus the maximum royalty of five (5) mills per running foot, referred to in Paragraph 6 of this agreement, and on the expiration of each year, counting from June 20, 1909, shall adjust the royalty account of each licensee as to "Licensed Film" so billed and shipped to them and paid for by them, according to the royalty schedule set forth in said Paragraph 6, returning to the licensee any amount such licensee may have overpaid, according to said schedule, and paying the balance to the Patents Company; and that on each sale of the other film of a width approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) in width to the amount of two and one-half ($2\frac{1}{2}$) per cent. of the total amount of "Licensed Film" supplied to the "Patents Company licensees" during any one year, counting from June 20, 1909, of the continuance of this agreement, as provided for in Paragraph 14, a royalty of one-half ($\frac{1}{2}$) cent per running foot, and which royalty the Eastman Company is to pay to the Patents Company on such film sold by it which is paid for by the purchaser thereof; and on each sale of said other film which is not to exceed approximately one inch (1 in.) in width, as provided for in Paragraph 14, the Eastman Company shall include in the price charged for such film to the purchaser thereof a royalty amounting to such proportion of one-half ($\frac{1}{2}$) cent per running foot as the width of such film bears to the film approximately one and three-eighths of an inch ($1\frac{3}{8}$ in.) in width, and which royalty the Eastman Company is to pay to the Patents Company on such film sold by it which is paid for by the purchaser thereof; such adjustment and payments to the licensee

and the Patents Company to be made by the Eastman Company within thirty (30) days after the expiration of each such year, counting from June 20, 1909, provided, however, that if, at the time such payment of royalties is due from the Eastman Company to the Patents Company, the Edison Company should be indebted to the Eastman Company for "Licensed Film" or other supplies purchased from or furnished by the Eastman Company to the Edison Company during such year, the royalties shall be applied by it on account of such indebtedness, the balance, if any, remaining over such indebtedness, to be paid by the Eastman Company to the Patents Company, and a statement at the same time shall be given by the Eastman Company, to the Patents Company of the amount of such indebtedness incurred after June 20, 1909, to which said royalties have been applied by it.

It is mutually covenanted and agreed by and between the Patents Company, the Edison Company and the Eastman Company, that all royalties heretofore paid to the Eastman Company by the licensees of the license agreements with the Edison Company referred to in Paragraph 3, between June 20, 1908, and the date hereof, under and in accordance with the aforesaid agreements between the Edison Company and the Eastman Company, referred to in Paragraph 8, and all royalties that may be paid to the Eastman Company by the "Patents Company licensees" between the date hereof and June 20, 1909, shall be adjusted in the same manner as provided for in this paragraph (except that the royalties that may be paid by the licensees George Kleine and the American Mutoscope & Biograph Company to the Eastman Company, for such period, shall be adjusted on the same basis as if each of said licensees had purchased "Licensed Film" from the Eastman Company at the same rate during the entire year preceding June 20, 1909, that such "Licensed Film" was billed and shipped to and paid for by each between the date hereof and June 20, 1909), and the amount which any such licensee may have overpaid, according to the royalty schedule in said Paragraph 6, shall be returned to the licensee so overpaying the same within thirty (30) days after June 20, 1909, and the balance remaining, together with the royalties that have been paid between June 20, 1908, and June 20, 1909, on each sale of film of a width approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in) to the amount of two and one-half ($2\frac{1}{2}$) per cent. of the total amount of "Licensed Film" supplied to the licensees of the license agreements

with the Edison Company referred to in Paragraph 3, and to the "Patents Company licensees," and together with the royalty on the sale of other film not to exceed three-quarters ($\frac{3}{4}$) of an inch in width prior to the date hereof under the said agreement between the Edison Company and the Eastman Company, referred to in Paragraph 8, and together with the royalty on the other film not to exceed approximately one (1) inch in width, received by it between the date hereof and June 20, 1909, as provided for in this paragraph, shall be paid to the Edison Company and the Patents Company as follows:

The said balance of all royalties received by it from the licensees of the license agreements with the Edison Company referred to in Paragraph 3, prior to the date hereof, and all the other aforesaid royalties received by it up to the date hereof, shall be paid to the Edison Company within thirty (30) days after June 20, 1909, provided, however, that if at that time the latter should be indebted to the former for "Licensed Film" or other supplies purchased from or furnished by the Eastman Company to the Edison Company, such royalties then in the possession of the Eastman Company shall be applied by it on account of such indebtedness, the balance, if any, remaining over such indebtedness, to be paid by the Eastman Company to the Edison Company; and the said balance of all royalties received by the Eastman Company from the "Patents Company licensees" between the date hereof and June 20, 1909, and all the other aforesaid royalties which have been received by it between said dates, shall be paid to the Patents Company within thirty (30) days after June 20, 1909; provided, however, that if at the time such payment of royalties is due from the Eastman Company to the Patents Company, the Edison Company should be indebted to the Eastman Company for "Licensed Film" or other supplies purchased from or furnished by the Eastman Company to the Edison Company between the date hereof and June 20, 1909, such royalties shall be applied by it on account of said indebtedness, the balance, if any, remaining over such indebtedness, to be paid by the Eastman Company to the Patents Company, and a statement at the same time shall be given by the Eastman Company to the Patents Company of the amount of such indebtedness incurred between the date hereof and June 20, 1909, to which said royalties have been applied by it.

19. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company that in case

any "foreign manufacturer" aforesaid has heretofore established or shall hereafter establish a business of manufacturing and selling positive or negative motion pictures in the United States, and shall be licensed by the Patents Company in and by a duly executed agreement in writing, the same in all substantial respects as the license agreements referred to in Paragraph 4, then, and from the time such license agreement goes into effect, and said Eastman Company is notified thereof in writing by the Patents Company, the Eastman Company shall charge to and collect from such licensee the royalties referred to in Paragraph 6 of this agreement and pay the same to the Patents Company in the same manner as that provided for in Paragraph 18 respecting the charging to and collecting from the "Patents Company licensees" of royalties upon "Licensed Film" and paying the same to the Patents Company. But no royalty shall be charged to or collected from any "foreign manufacturers" for sensitized film sold to them by the Eastman Company unless and until they have been licensed by the Patents Company and the Eastman Company notified thereof as aforesaid.

20. The Eastman Company further covenants and agrees that it will keep an accurate account of all "Licensed Film" supplied by it to the "Patents Company licensees" and other film supplied to the other persons, firms and corporations as provided for in Paragraphs 14 and 18 (with the exception of the translucent or transparent sensitized film supplied to the "foreign manufacturers" unless and until such "foreign manufacturers" are licensed by the Patents Company and the Eastman Company is duly notified thereof as provided for in Paragraph 19) with the names and addresses of the purchasers and the date and amount of each purchase, and that with each yearly payment of royalty as hereinbefore provided for it will furnish the Patents Company with a statement in writing, verified by an officer of the Eastman Company having knowledge of the facts therein set forth (if the Patents Company shall so request) showing the total amounts in running feet of such "Licensed Film" and other film, with the exceptions aforesaid, shipped by it to all the "Patents Company licensees" and such other persons, firms and corporations, and paid for by them, during the preceding year, but it is further mutually covenanted and agreed that the dealings between the Eastman Company and the "Patents Company licensees" shall, from the date hereof, and the dealings prior to the date hereof between the Eastman Company and such of said licensees who are

also licensees of the license agreements with the Edison Company referred to in Paragraph 3, insofar as the number of running feet or anything that would tend to disclose the number of running feet shipped to or ordered by them is concerned—be a matter of confidence, even as to the exclusion of the Patents Company, between such licensees and such other person, firm or corporation, as aforesaid, and the Eastman Company, and the latter shall not be at liberty to disclose, directly or indirectly, to the Patents Company or to any of the “Patents Company licensees” the number of such running feet of “Licensed Film” and such other film as aforesaid, so ordered by or shipped to any of the “Patents Company licensees,” or such other persons, firms and corporations as provided for in Paragraphs 14 and 18; and it is therefore mutually covenanted and agreed that all statements and payments of royalty from the Eastman Company to the Patents Company shall be in gross, without specifying the number of running feet of “Licensed Film” or such other film, either by a statement of the number of running feet or the amount of royalties charged to and collected for or on account thereof.

21. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company, that if, notwithstanding the statements made by the Eastman Company to the Patents Company, the latter should be desirous of satisfying itself by having an examination made of the books of account of the Eastman Company as to the accuracy of the statements so made to it by the Eastman Company, it may have such examination made of the books of account of the Eastman Company (so far as the same may relate to the sale by it of “Licensed Film” to the “Patents Company licensees” and such other film (with the exceptions hereinbefore provided for) to other persons, firms and corporations as provided for in Paragraph 14 and the “Patents Company licensees”) by the public accountants, Price, Waterhouse & Company, of New York, N. Y., or any other public accountants that may hereafter be agreed upon by the Patents Company and the Eastman Company.

22. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company that nothing herein contained shall interfere with or prevent the manufacture, sale or shipment by the Eastman Company of sensitized film suitable for the commercial production of negative or positive motion pic-

tures, for export without the payment of any royalty or other consideration therefor to the Patents Company, when such film, addressed to the foreign purchaser, agent or consignee, is delivered to a vessel or to a transportation company for transportation to a foreign country, and not otherwise. The Eastman Company covenants and agrees that it will use all reasonable efforts to prevent the reimportation of any such film sold for export, into the United States in an unexposed condition, and that it will not sell any such film for export for the purpose of reimporting it into the United States in an unexposed condition.

23. The Patents Company further covenants and agrees that it will, during the continuance of this agreement, license such a number of persons, firms and corporations, under said letters patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, to make and sell exhibiting or projecting machines containing the inventions described and claimed in the same, capable of exhibiting or projecting motion pictures on a film of width greater than approximately one (1) inch, and also such machines as will not be capable of exhibiting or projecting motion pictures on film of a greater width than approximately one (1) inch, as will be able to supply the demand for the same.

The Patents Company further covenants and agrees that it will not charge any such person, firm or corporation manufacturing and selling any such machine capable of exhibiting or projecting motion pictures on film of a greater width than approximately one (1) inch, more than Five (5) Dollars as a license fee for the manufacture and sale of each such exhibiting or projecting machine, and that it will impose no other conditions or restrictions upon the manufacture and sale of any such machines than that the sale and purchase thereof gives only the right to use them solely for exhibiting or projecting motion pictures containing the inventions of said reissued letters patent No. 12,192, leased by one of the "Patents Company licensees" and upon payment of a royalty or rental to the Patents Company while in use, to be fixed by it, and while the letters patent under which they are licensed are owned or controlled by the Patents Company, and that there shall be attached to each such machine a plate, in a conspicuous place, showing plainly, not only the dates of the letters patent under which it is licensed, but also the aforesaid con-

ditions and restrictions, and that such plate is not to be removed therefrom.

The Patents Company further covenants and agrees that it will not charge any person, firm or corporation making or selling any such machine capable of exhibiting or projecting motion pictures on film not wider than approximately one (1) inch, a license fee of more than Three (3) per cent. of the net retail selling price of each such machine, and will impose no other conditions or restrictions upon the manufacture and sale of any such machines than that they be used solely for exhibiting or projecting motion pictures on film not wider than approximately one (1) inch in places where no admission fee is charged, and that there shall be attached to each such machine a plate, in a conspicuous place, showing plainly, not only the dates of the letters patent under which it is licensed, but also the aforesaid conditions and restrictions, and that such plate is not to be removed therefrom.

The Patents Company further covenants and agrees, however, that it will grant licenses to such a number of persons, firms and corporations to manufacture and sell exhibiting or projecting machines containing the inventions described and claimed in the aforesaid letters patent now owned by the Patents Company, capable of exhibiting or projecting, by reflected light, motion pictures on film of any width, but not capable of exhibiting or projecting the same by transmitted light, as will be able to supply the demand for the same, upon the payment of a royalty or license fee not to exceed Three (3) per cent. of the net retail selling price of each such machine, and that it will impose no other condition or restriction upon the manufacture and sale of any such machines than that they be used solely in places where no admission fee is charged, which condition shall appear on a plate to be attached to each such machine; and also that it will grant licenses to such persons, firms and corporations to manufacture and sell all such exhibiting or projecting machines referred to in this Paragraph 23, containing the inventions described and claimed in any letters patent that the Patents Company may hereafter own or control, subject to similar conditions or restrictions and upon the payment of additional license fees or royalties to be fixed by the Patents Company, the royalty or license fee, and all the conditions and restrictions of all the licenses referred to in this paragraph 23, to be the same for all such licensees, except

that such licenses may be granted to said American Mutoscope & Biograph Company and the said Armat Motion Picture Company without payment of royalty or license fees for the manufacture or sale of any such exhibiting or projecting machines; and to said Vitagraph Company of America upon its paying only four-fifths ($\frac{4}{5}$ th) of the royalties or license fees provided for in this paragraph, on such machines, and to the Edison Company and said firm of Marvin and Casler, without paying any royalties or license fees on such machines sold *bona fide* for export.

The Patents Company further covenants and agrees that it will grant a license to the Eastman Company, upon its request, to manufacture and sell exhibiting or projecting machines containing the inventions described and claimed in the aforesaid letters patent now owned by the Patents Company capable of exhibiting or projecting by either transmitted or reflected light motion pictures on film not wider than approximately one (1) inch, upon the payment of a royalty or license fee not to exceed Three (3) per cent. of the net retail selling price of each such machine, and that it will impose no other conditions or restrictions upon the manufacture and sale of any such machines than that they be used solely in places where no admission fee is charged, and that there be attached to each such machine a plate, in a conspicuous place, showing plainly, not only the dates of the letters patent under which it is licensed, but also said condition or restriction, and that such plate is not to be removed therefrom; and that it will also grant a license to the Eastman Company to manufacture and sell such exhibiting or projecting machines containing the inventions described and claimed in any letters patent that the Patents Company may hereafter own or control, subject to similar conditions and restrictions, and upon the payment of additional license fees or royalties to be fixed by the Patents Company, the royalty or license fees and all the conditions and restrictions of all the licenses that may be granted by the Patents Company to manufacture and sell such exhibiting or projecting machines to be the same for the Eastman Company and all such licensees with the exceptions hereinbefore referred to in this paragraph.

24 It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company that the Patents Company shall, within fifteen (15) days after June 20, 1909, pay to the Eastman Company twenty-four (24) per cent. of

the gross royalties or rents collected by or paid to said Patents Company prior to June 20, 1909, for the use of exhibiting or projecting machines capable of exhibiting or projecting motion pictures on translucent or transparent film of a greater width than approximately one (1) inch licensed by it, containing any of the inventions described and claimed in the letters patent referred to in Paragraph 4, and in any other letters patent hereafter owned or controlled by the Patents Company, and also twenty-four (24) per cent. of the gross royalties or rents collected by or paid to the Patents Company for the use of such machines during each year, counting from June 20, 1909, and within fifteen (15) days after the end of each such year, which shall be apportioned and paid to the "Patents Company licensees" as follows:

Each of such licensees shall have apportioned and paid to it by the Eastman Company, after each installation of said twenty-four (24) per cent. of said gross royalties is paid to the Eastman Company by the Patents Company, such a share thereof as the number of thousand feet of "Licensed Film" of a greater width than approximately one (1) inch ordered by and shipped to such licensee, added to the number of thousand running feet of film of a greater width than approximately one (1) inch, having positive motion pictures thereon, imported by such licensee (if such licensee has imported the same) during the period for which such installment is paid to the Eastman Company, bears to the total number of thousand running feet of such "Licensed Film" ordered by and shipped to all of the "Patents Company licensees," added to the total number of running feet of film of a greater width than approximately one (1) inch having positive motion pictures thereon imported by all such licensees, during the period for which said installment is paid to the Eastman Company, after deducting the amount of such "Licensed Film" of a greater width than approximately one (1) inch ordered by and shipped to the Edison Company and the American Mutoscope & Biograph Company during the period for which such installment is paid to the Eastman Company, which two latter Companies are not to share in or be paid any part of said twenty-four (24) per cent. of the gross royalties or rents; that such apportionment shall be made as aforesaid through Price, Waterhouse & Company, chartered accountants, or through some other accountants that may hereafter be mutually agreed upon by and between the Eastman Company and the Patents Company, and the "Patents

Company licensees," and the Eastman Company shall pay to the "Patents Company licensees" their respective shares of each installment of said twenty-four (24) per cent. of said gross royalties or rents provided for in this paragraph after receiving the same, and after the same have been so apportioned, without disclosing, directly or indirectly to the Patents Company or to any of the "Patents Company licensees" the share apportioned or paid to any of such licensees; that the Patents Company shall furnish to the Eastman Company the number of thousand running feet of film of a greater width than approximately one (1) inch having positive motion pictures thereon imported by all the "Patents Company licensees" during the period for which each said installment is paid to the Eastman Company, in order that the said apportionment may be made.

25. It is mutually covenanted and agreed by and between the Edison Company and the Eastman Company that the two agreements in writing entered into by and between them on or about the 20th day of May, 1908, referred to in Paragraph 8, are hereby cancelled and terminated, and each of the said parties thereto hereby releases and discharges the other party thereto of and from all claims and demands that it has or may have against the other under or arising out of each of said two agreements in writing.

26. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company that this agreement shall take effect January 1st, 1909, and unless sooner terminated as hereinafter provided, shall continue until the expiration, on August 31, 1914, of the aforesaid reissued letters patent No. 12,037 and 12,192; it being provided, however, that either party hereto shall have the right at any time to terminate this agreement by giving sixty (60) days' notice in writing to the other party of its election so to do. Such termination of this agreement, however, shall not prejudice either party in the recovery of damages because of any breach, violation or non-performance thereof by the other.

27. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company that in case the Patents Company should become bankrupt, cease doing business or should be dissolved, voluntarily or otherwise, or its charter should be repealed, the Patents Company shall immediately give notice of the same to the Eastman Company, and upon the happening of either of such events, this agreement shall be deemed terminated and at an end by the parties hereto; and that after notice of termination

of this agreement by either party, as provided for in Paragraph 26, of this paragraph, and after it is terminated, no matter what the cause or manner of termination may be, neither this agreement, nor the fact that the Eastman Company has entered into or acted under it shall be used in any manner, directly or indirectly, by or for the Patents Company, its successors, assigns, or legal representatives, or by or for others, against the Eastman Company, its successors or legal representatives, in any litigation, controversy or proceeding involving it or them, or any other persons, firms or corporations, or in any other way—it being understood and agreed that upon such termination the positions and rights of the Patents Company and the Eastman Company shall be the same as if this agreement had not been made; provided, however, that the rights of neither party shall be prejudiced by such termination in the recovery of damages for any breach or other violation of this agreement by the other occurring prior to such termination.

28. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company that all notices provided for in this agreement shall be in writing and shall be given by delivering the same to an officer of the Patents Company or the Eastman Company, as the case may be, or by depositing such notice, postage prepaid, in any Post Office of the United States in a sealed envelope, directed to the Patents Company or the Eastman Company, as the case may be, at its last known Post Office address, to be forwarded by registered mail.

29. It is mutually covenanted and agreed by and between the Patents Company and the Eastman Company that this agreement shall bind and inure to the benefit of the Patents Company, its successors, assigns and legal representatives and the Eastman Company and its successors as defined in Paragraph 10 of this agreement.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENTS COMPANY,

By Frank L. Dyer,
President.

EDISON MANUFACTURING COMPANY,

By Frank L. Dyer,
Vice-President

SCHEDULE B.

THIS AGREEMENT made and entered into this 15th day of June, 1909, between EASTMAN KODAK COMPANY, a New York corporation, having a place of business in the City of Rochester, in said State (hereinafter called the Vendor), and
of (hereinafter called the Vendee), WITNESSETH THAT:

1. The Vendor, in consideration of the covenants and agreements hereinafter entered into by the Vendee, covenants and agrees as follows:

1a. To supply the Vendee with non-inflammable sensitized motion picture film both positive and negative, in such quantities as the Vendee may require, for the manufacture of positive and negative motion pictures for the Vendee's business in the same in the United States, on condition, however, that if the total amount of such film required by its several customers therefor in the United States and in countries foreign thereto should at any time exceed its output of such film, then and in such case the Vendee shall be entitled only to the same proportion of its output of such film as said Vendee had of its total output of sensitized motion picture film the previous calendar year.

1b. To supply such non-inflammable sensitized motion picture film to the Vendee, for the purpose aforesaid, in the usual motion picture width, namely, approximately thirty-five (35) millimetres or one and three-eighths ($1\frac{3}{8}$) of an inch, and unperforated or perforated as the Vendee may require, at the following prices, f. o. b. at Rochester, New York.

Unperforated

Perforated

3 $\frac{1}{3}$ cents per running foot; 3 $\frac{3}{4}$ cents per running foot; (plus the patent royalty of the MOTION PICTURE PATENTS COMPANY that may be collected by the Vendor for such Company, if and so long as the Vendor is to collect the same for such Company). All such film to be in standard motion picture length of two hundred feet and four hundred feet, or sixty metres and one hundred and twenty metres, except that the Vendor reserves the right to supply such film in shorter length of one hundred feet or over, or thirty metres or over, to the extent of five per cent. and no more, of the total amount of such film supplied to the Vendee.

1c. Not to make any agreement between the date hereof and June 15th, 1912, with any person, firm or corporation to supply such person, firm or corporation, for any term beginning prior to June 15th, 1912, with its non-inflammable motion picture film perforated or unperforated and approximately thirty-five (35) millimetres in width, in countries foreign to the United States, at less than the following net prices f. o. b. at the following places: London, England, one and three-fourths ($1\frac{3}{4}$) pence per running foot; Paris, France, sixty (60) centimes per metre; Milan, Italy, sixty (60) centesime per metre; Berlin, Germany, fifty (50) pfennig per metre, and f. o. b. at other places in other foreign countries for as near similar prices as is practicable in the currency of such other foreign countries.

1d. Not to supply non-inflammable sensitized motion picture film to any person, firm or corporation for the manufacture of positive or negative motion pictures in the United States for less prices than those charged during the same time to the Vendee.

2. The Vendee in consideration of the covenants and agreements hereinbefore and hereinafter entered into by the Vendor, covenants and agrees as follows:—

2a. To purchase from the Vendor all the non-inflammable sensitized motion picture film both negative and positive required or used in the Vendee's business.

2b. To pay for all non-inflammable sensitized motion picture film supplied by the Vendor on delivery of the same or in such manner as may from time to time be prescribed by the Vendor.

2c. Not to manufacture or sell or be interested directly or indirectly in the manufacture or sale of, in the United States or elsewhere, any non-inflammable motion picture film whether sensitized or not, nor export from the United States any such film unless it has motion pictures developed thereon (except sensitized negative film for the use of the Vendee's own operators), nor export to or import into nor use or sell or otherwise dispose of in the United States any such film, unless it has motion pictures developed thereon.

3. It is mutually covenanted and agreed by and between the Vendor and Vendee as follows:—

3a. That the Vendor shall not be responsible for damages for any failure to supply non-inflammable sensitized motion picture film

to the Vendee in quantities required by the Vendee in the Vendee's aforesaid business, other than the said Vendee's proportion of the Vendor's output of the same as defined in paragraph 1a of this agreement, or for any failure to supply such film in quantities required by the Vendee in its aforesaid business, by circumstances or happenings beyond the control of the Vendor.

3b. That in case the Vendor fails, and continues to fail for a period of twenty (20) days, to supply its non-inflammable sensitized motion picture film in the quantities required by the Vendee for the Vendee's aforesaid business, the Vendee may purchase non-inflammable sensitized motion picture film from other manufacturers to complete the Vendee's immediate requirements, month by month only, until such time as the Vendor can supply said film. If, however, the Vendor should fail for a continuous period of one hundred and twenty (120) days to furnish its non-inflammable sensitized motion picture film to the Vendee in quantities required by the Vendee for the Vendee's aforesaid business (provided such quantities do not exceed twenty-five (25) per cent. more than the Vendee has received from the Vendor during a similar period immediately preceding said one hundred and twenty (120) days), then the Vendee shall have the right to terminate this agreement by giving thirty (30) days' notice in writing to the Vendor of its election so to do, which notice may be given by delivering the same to an officer of the Vendor, or by depositing such notice in any Post Office of the United States in a sealed envelope directed to the Vendor at its last known Post Office address.

3c. That the Vendor may reduce the prices provided for in paragraphs 1b and 1c if it should consider it commercially desirable to do so; but if the Vendor reduces the prices provided for in paragraph 1b it may make a corresponding reduction of the prices provided for in paragraph 1c, and if it reduces the prices provided for in paragraph 1c it shall make a corresponding reduction of the prices provided for in paragraph 1b.

3d. That the Vendee will not use the non-inflammable sensitized motion picture film supplied by the Vendor under this agreement in the production of negative or positive motion pictures (or reproductions commonly known as "duplicates" of the negative or positive motion pictures) of any other manufacturer or person, firm or corporation located either in the United States or in any foreign

country; and that the Vendor will not knowingly supply such film to persons, firms or corporations for the purpose of using such film in the business of making reproductions commonly known as "dupes" of negative or positive motion pictures.

3e. That until the 15th day of September, 1909, the Vendee will not export or aid or enable others to export from the United States any non-inflammable positive motion picture film with motion pictures developed thereon; that until the 15th day of September, 1909, the Vendor will not supply any person, firm or corporation in countries foreign to the United States with non-inflammable motion picture film without an agreement with such person, firm or corporation in substance that the positive film so supplied shall be printed in such foreign countries, and, when developed, shall not be sold or otherwise disposed of or used in such foreign countries until after September 15, 1909; and further that if the Vendor should supply the Vendee with such film in foreign countries it shall be deemed to have been so supplied with a like agreement on the part of the Vendee.

3f. That by the expression non-inflammable motion picture film as used in this agreement, is meant transparent or translucent motion picture film having a cellulose acetate base instead of a nitro-cellulose base, of a width approximately thirty-five (35) millimetres or one and three-eighths ($1\frac{3}{8}$) of an inch.

3g. That this agreement is to continue until July 1st, 1912.

3h. That this agreement shall bind and inure to the benefit of the parties hereto and their and each of their successors, assigns or legal representatives.

IN WITNESS WHEREOF the parties hereto have executed this agreement the day and year first above written.

Witnesses:

62.

LICENSE AGREEMENT.

(a) THIS AGREEMENT, made this 20th day of July, 1909, by and between MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Orange, in said State, party of the first part, (hereinafter referred to as the "Licensor"); and GASTON MELIES, of New York City, (for himself and as attorney for George Melies, of Paris, France), party of the second part, (hereinafter referred to as the "Licensee"), WITNESSETH:

(b) WHEREAS, the Licensor represents that it is organized to own, deal in and grant licenses under Letters Patent pertaining to the motion picture art, and that it is the owner of all the right, title and interest in and to United States Letters Patent:

No. 578,185, dated March 2, 1897, for Vitascope, granted to Thomas Armat;

No. 580,749, dated April 13, 1897, for Vitascope, granted to Thomas Armat;

No. 586,953, dated July 20, 1897, for Phantoscope, granted to Charles F. Jenkins and Thomas Armat;

No. 588,916, dated August 24, 1897, for Kinetoscope, granted to Charles M. Campbell as the assignee of Willard G. Steward and Ellis F. Frost;

No. 629,063, dated July 18, 1899, for Kinetoscopic Camera, granted to American Mutoscope Company as the assignee of Herman Casler;

No. 673,329, dated April 30, 1901, for Kinetoscope, granted to The American Vitagraph Company as the assignee of Albert E. Smith;

No. 673,992, dated May 14, 1901, for Vitascope, granted to Thomas Armat;

No. 707,934, dated August 26, 1902, for Projecting Kinetoscope, granted E. & H. T. Anthony & Co., as assignees of Woodville Latham;

No. 722,382, dated March 10, 1903, for Animated Picture Apparatus, granted to American Mutoscope & Biograph Company as the assignee of John A. Pross;

No. 744,251, dated November 17, 1903, for Kinetoscope, granted to Albert E. Smith;

No. 770,937, dated September 27, 1904, for Kinetoscope, granted The Vitagraph Company of America as the assignee of Albert E. Smith;

No. 771,280, dated October 4, 1904, for Winding-Reel, granted Albert E. Smith;

No. 785,205, dated March 21, 1905, for Flame-Shield for Kinetoscopes, granted The Vitagraph Company of America as the assignee of William Ellwood; and

No. 785,237, dated March 21, 1905, for Film-Holder for Kinetoscopes, granted The Vitagraph Company of America as the assignee of Albert E. Smith;

all of which said Letters Patent relate to improvements in the motion picture art.

(c) WHEREAS, the Licensor is the owner of all the right, title and interest in and to reissued Letters Patent of the United States numbered 12,037 dated September 30, 1902, and 12,192, dated January 12, 1904, the original Letters Patent whereof are numbered 589,168, and dated August 31, 1897, under which the Licensor has granted certain licenses, which (except that referred to in Paragraph (d) hereof) are now in full force and effect; and

(d) WHEREAS, the Licensee has heretofore been granted a license under the said reissued Letters Patent Nos. 12,037 and 12,192, by the Edison Manufacturing Company, the predecessor in title of the Licensor, which licenses were transferred by the Licensee to the George Melies Company of Chicago, Illinois, and the title to said licenses, as well as the question whether said licenses have been terminated, together with the right of the said George Melies Company to obtain a license from the Licensor, are at the present time in litigation in a suit in equity brought by the said George Melies Company against the Licensor and the Edison Manufacturing Company, in the United States courts for the District of New Jersey, (which suit is hereinafter referred to as the "said equity suit"); and

(e) WHEREAS, the Licensee wishes to engage in the manufacture of motion pictures, including the printing of positive motion pictures from negative motion pictures of the Licensee's own production, and also to import negative motion pictures made by the said George Melies in France, and to print positive motion pictures therefrom, and relying upon the aforesaid representations

of the Licensor and induced thereby, desires to obtain from the Licensor a license under said two reissued Letters Patent numbered 12,037 and 12,192, and Letters Patent Nos. 629,063 and 707,934, and to lease positive motion pictures, for use in exhibiting or projecting machines containing the inventions, or any of them, described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and to sell positive motion pictures on film of a width approximately one (1) inch or less in certain territory and on film of any width in certain territory:

(f) NOW, THEREFORE, the parties hereto, for and in consideration of the sum of One Dollar to each in hand paid by the other, and for other good and valuable considerations from each to the other moving, receipt of all of which is hereby acknowledged, have agreed as follows:

(1) The Licensor hereby grants to the Licensee for the term and subject to the covenants, conditions and stipulations hereinafter expressed, the right and license under said reissued Letters Patent No. 12,037 and Letters Patent Nos. 629,063 and 707,934, for the United States, its territories, dependencies and possessions (hereinafter called the "territory aforesaid"), to manufacture and use such a number of cameras embodying the inventions of said reissued Letters Patent numbered 12,037 and Letters Patent Nos. 629,063 and 707,934, as may be necessary for the proper conduct of the Licensee's business, and to import into the United States, its territories and possessions, negative motion pictures made by said George Melies in France, and to import positive motion pictures from negative motion pictures made by the said George Melies prior to 1904, of which the Licensee has no negative in this country, and to manufacture, print and produce positive motion pictures embodying the inventions of the said reissued Letters Patent No. 12,192, and to lease in the United States, its territories, dependencies and possessions, (with the exception of its insular possessions and Alaska), hereinafter referred to as the "lease territory aforesaid," all of the said positive motion pictures so imported or printed on film of a greater width than approximately one (1) inch, upon condition that they be used solely in exhibiting or projecting machines containing the inventions or some of them of said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,

329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and licensed by the Licensor, and to sell positive motion pictures embodying the invention of said reissued Letters Patent No. 12,192, on film of a width approximately one (1) inch or less in the "lease territory aforesaid," and on film of any width in or for said insular possessions and Alaska and foreign countries, hereinafter referred to as "said export territory" or "for export."

It is further understood and agreed that the amount of running feet of new subjects placed on the market by the Licensee during the continuance of this agreement shall not exceed 1,000 feet per week, and that all the running feet of new subjects made and offered for sale in France by the said George Melies after the date of this agreement, shall be considered as part of the said 1,000 feet; that is to say, the Licensee shall have the right to offer for lease in the "lease territory aforesaid," only so many running feet of new subjects printed from negatives made by the Licensee in the "territory aforesaid" as when added to all of the running feet of new subjects placed on sale by George Melies in France, shall equal 1,000 running feet per week.

The license hereby granted is personal to the Licensee and does not include the right to dispose of, in the "territory aforesaid," any cameras embodying any inventions covered by said reissued Letters Patent No. 12,037 and Letters Patent Nos. 629,063 and 707,934; and in the event of the permanent discontinuance or retirement from business of the Licensee for a period of six consecutive months, the license hereby granted shall be immediately terminated.

The license granted hereby shall also be immediately terminated in the event that the said George Melies shall export positive motion pictures to the United States or knowingly permit their importation into the United States, except to the extent provided for in this paragraph.

It is further understood and agreed that the license hereby granted is a temporary one, contingent on the eventualities which may arise in the "said equity suit" and that in the event that a temporary injunction should be issued against the Licensor, requiring the Licensor to recognize the said George Melies Company as a licensee, this agreement and the license granted thereby shall be suspended, during the time such temporary injunction

is in force. It is further understood and agreed that in the event that it is finally decreed in the "said equity suit" that the said George Melies Company is entitled to a license under the patents under which this license is granted, then this agreement and the license granted thereby shall thereupon immediately cease and determine.

The Licensee covenants and agrees that he will submit to the Licensor through its duly accredited officers, the names of such persons as he may wish to associate with him in the business to be carried on under the license hereby granted and that he will not permit any persons to obtain any interest in such business without the approval of the Licensor, provided, however, that this condition shall not prevent the Licensee from compensating any *bona fide* employee in whole or in part by a commission based on sales, provided that no single employee shall be paid as a commission more than 25% of the net profits resulting from the sale or leasing of motion pictures sold or leased by the Licensee; and the Licensee further agrees that if at any time during the continuance of this agreement and after the date hereof, the said Gaston Melies and the said George Melies, or either of them, no longer have the controlling interest in, and actual control of, the said business, conducted under the license hereby granted, such license may be immediately terminated by the Licensor.

(2) The Licensor, for itself, its successors, assigns and legal representatives, hereby releases, acquits and discharges the Licensee from any and all claims, demands and liabilities for profits and damages, because of any infringement by the Licensee of any or all of the aforesaid United States Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and reissued Letters Patent Nos. 12,037 and 12,192, or use by the Licensee of the inventions, or any of them, covered by said Letters Patent or either of them prior to the date hereof.

(3) The Licensee hereby recognizes and admits the validity of said reissued Letters Patent No. 12,037, so far as the first three claims thereof are concerned, and the validity of said reissued Letters Patent No. 12,192 and Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and the Licensee agrees not

to contest or question the same during the continuance of this agreement.

(4) The Licensee covenants and agrees that in the manufacture of motion pictures, both negative and positive in the "territory aforesaid," during the continuance of this agreement, the Licensee will use exclusively sensitized film manufactured and sold in the United States by a manufacturer or manufacturers who by an agreement with the Licensor, as hereinafter provided, will collect and pay to the Licensor royalties on such sensitized film, and hereinafter called "Licensed Film," and that the Licensee will not, in the "territory aforesaid," purchase or otherwise acquire or lease or sell or otherwise dispose of or deal in, motion pictures produced on or by the use of any other film than such "Licensed Film," nor sell or otherwise dispose of any negative motion pictures.

The Licensor further covenants and agrees that it will, in an agreement in writing with each manufacturer of "Licensed Film" obligate such manufacturer, so long as the latter has the exclusive right to make and sell such "Licensed Film," not to knowingly furnish or sell, in the "territory aforesaid," except "for export," sensitized film for the commercial production of negative and positive motion pictures to any one but the Licensee, and the additional licensees hereinafter provided for, except to the extent of $21\frac{1}{2}\%$ of the total amount of such "Licensed Film" supplied by such manufacturer to the parties to the license agreements referred to in Paragraph (c) during the year preceding June 20, 1909, and to the Licensee and the additional licensees hereinafter provided for, during any one year thereafter during the continuance of such agreement, which amount such manufacturer shall have the right to furnish or sell, in the "territory aforesaid," to persons not engaged in the business of manufacturing, leasing, selling, loaning, renting out, or otherwise disposing of or dealing in motion pictures in the "territory aforesaid" and with the further exception that such manufacturer may also reserve the right to manufacture and sell sensitized film suitable for the commercial production of negative and positive motion pictures, of a width not to exceed approximately one (1) inch in the "territory aforesaid," to persons, firms and corporations engaged in the business of manufacturing, leasing, selling, loaning, renting out or otherwise disposing of or dealing in motion pictures in the "territory aforesaid," but upon the condition that in case

any of them produces thereon any picture greater in size than approximately three-quarters ($\frac{3}{4}$) of an inch on a line either parallel to or at right angles to the edge of such film, and such manufacturer has knowledge thereof, such manufacturer will cease supplying such film to any person, firm or corporation so doing; and with the further exception that such manufacturer may also reserve the right to manufacture and sell in the "territory aforesaid" such sensitized film suitable for the commercial production of negative and positive motion pictures of any width, to persons, firms and corporations now having an established business of manufacturing motion pictures in any country foreign to the United States, who now manufacture negative and positive motion pictures in the United States, or who may after the date of this agreement commence the manufacture of negative or positive motion pictures in the United States.

The Licensor further covenants and agrees that the royalties which it will charge to and receive from the Licensee for "Licensed Film" (and which are to be included by the manufacturer or manufacturers in the prices charged for "Licensed Film" to the Licensee and paid over to the Licensor) shall not, for "Licensed Film" of a width approximately one inch and three-eighths of an inch ($1\frac{3}{8}$ in.) or thirty-five (35) millimetres, purchased by the Licensee during the year beginning June 20, 1909, and during any year thereafter during the continuance of this agreement, as hereafter provided, exceeding the following rates, that is to say:

If the shipments of such "Licensed Film" to the Licensee, or the Licensee's orders, for any such year, be four million running feet or less, a royalty of one-half ($\frac{1}{2}$) cent per running foot on the total number of running feet for that year; if such shipments, on the Licensee's orders of such "Licensed Film," for any such year, exceed four million running feet but do not exceed six million running feet, a royalty of four and one-half ($4\frac{1}{2}$) mills per running foot on the total number of running feet for that year; if such shipments, on the Licensee's orders of such "Licensed Film," for any such year, exceed six million running feet, but do not exceed eight million running feet, a royalty of four (4) mills per running foot on the total number of running feet for that year; if such shipments, on the Licensee's orders of such "Licensed Film" for any such year, exceed eight million running feet but do not exceed ten million run-

ning feet, a royalty of three and three-quarters ($3\frac{3}{4}$) mills per running foot on the total number of running feet for that year; and if such shipments on the Licensee's orders of such "Licensed Film" for any such year, exceed ten million running feet, a royalty of three and one-quarter ($3\frac{1}{4}$) mills per running foot on the total number of running feet for that year. And for "Licensed Film," narrower or wider than approximately one and three-eighths ($1\frac{3}{8}$) inch, or thirty-five (35) millimetres, the above mentioned royalty rates shall be reduced or increased in proportion to the reduction or increase in width of such narrower or wider "Licensed Film," below or above the width of such "Licensed Film" of approximately one and three-eighths ($1\frac{3}{8}$) inch or thirty-five (35) millimetres.

The Lincensor and Licensee further mutually covenant and agree that the manufacturer of such "Licensed Film" shall in the first instance, that is to say, when such film is billed and shipped by it, charge the Licensee with its price per running foot plus the maximum royalty aforesaid, and on the expiration of each year, counting from June 20, 1909, shall adjust the royalty account of the Licensee as to "Licensed Film" so billed and shipped to and paid for by the Licensee, according to the royalty schedule aforesaid, returning to the Licensee any amount the Licensee shall have overpaid, according to said schedule, and paying the balance to the Lincensor.

The Lincensor further agrees that the dealings between the Licensee and the authorized manufacturer or manufacturers from whom the Licensee purchases such "Licensed Film" shall, insofar as the number of running feet ordered by or shipped to the Licensee or anything that would indicate or disclose the number of such feet is concerned, be a matter of confidence between the Licensee and such manufacturer or manufacturers, who shall not be at liberty to disclose, and moreover shall be bound in writing not to disclose directly or indirectly, to the Lincensor or any of the additional licensees hereinafter provided for, the number of such feet of "Licensed Film" so ordered by or shipped to the Licensee; the Lincensor further agreeing to so arrange or provide for the reports and royalty payments to be made to it by such manufacturer or manufacturers that the latter shall make such reports and royalty payments in gross, as to all of the licensees to whom shipments of such "Licensed Film" are made, and without specifying the number of

running feet of "Licensed Film" so shipped to any of them, either by a statement in writing of the number of such feet or the amount of royalties paid or to be paid by such manufacturer or manufacturers for or on account thereof.

The Licensor and Licensee further mutually covenant and agree that no royalty other than or in addition to that provided for in this paragraph shall be charged to or collected from the Licensee by the Licensor up to June 20, 1910, or during any renewal of this agreement up to August 31, 1914, the date of expiration of the said reissued letters patent Nos. 12,037 and 12,192, and no royalty whatever shall be charged to or collected from the Licensee by the Licensor, after either the first, second and third claims of said reissued Letters Patent No. 12,037 and either of the claims of said reissued Letters Patent No. 12,192, in any suit as hereinafter provided for, for infringement thereof, are held invalid by a court that last hears and decides such suit or after August 31, 1914, during any renewal of this agreement; and that the Licensor shall charge royalties or rents for the use of all exhibiting or projecting machines capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, containing the inventions, or any of them, described and claimed in the aforesaid Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, licensed by the Licensor and that all such royalties or rents shall be collected by the Licensor, directly or indirectly from the exhibitors using such machines, and shall be fixed by the Licensor and charged and collected from such exhibitors by the Licensor at such a rate as to average as nearly as possible a royalty or rental of Two Dollars (\$2.00) per week for each such licensed machine in use.

(5) The Licensee further covenants and agrees not to sell or otherwise dispose of or offer for sale, in the "territory aforesaid," unexposed positive or negative "Licensed Film" during the continuance of this agreement; but this provision shall not prevent the Licensee from selling as refuse, in the "territory aforesaid," second-hand positive or negative motion pictures or motion pictures which have been used or become shop-worn or in any way damaged, to a manufacturer or manufacturers of "Licensed Film" or to a manufacturer to manufacture other articles than film therefrom, but only after they have been rendered by the Licensee unsuitable for use

as motion pictures by cutting or otherwise defacing them; or from selling exposed positive or negative film (either waste or in rolls) known as "blank film," for use by dealers, renters or exhibitors for leaders or for spacing or for similar purposes, but which shall not and cannot be otherwise employed for the exhibition of motion pictures.

(6) The Licensee further covenants and agrees not to lease, loan, rent out, sell or offer for sale, or otherwise dispose of in the "territory aforesaid," motion pictures to anyone purchasing or otherwise obtaining, leasing, using, loaning, renting out, selling, offering for sale, or otherwise disposing of or dealing in, motion pictures containing the invention of said reissued Letters Patent No. 12,192, not the output of the Licensee or of the additional licensees hereinafter provided for.

(7) The Licensee further covenants and agrees to mark each and every camera which the Licensee may make or use under this agreement embodying the inventions of reissued Letters Patent No. 12,037, Letters Patent Nos. 629,063 and 707,934, or either of them, with the word "PATENTED" followed by the dates of grant of all of the said Letters Patent, the inventions claimed in which are embodied in the said camera or apparatus, and to photographically print the Licensee's trademark in each picture of at least one scene of each subject of positive motion pictures on film of a greater width than approximately one (1) inch manufactured by the Licensee and leased in the "lease territory aforesaid" (provided the negative of such picture is taken after the date hereof), and to mark conspicuously on the labels which shall be placed on boxes or packages containing positive motion pictures on film of a greater width than approximately one (1) inch manufactured or leased by the Licensee in the "territory aforesaid," with the following words and figures:

LICENSED MOTION PICTURE

Manufactured and Leased by and Property of

(Patented in the United States August 31, 1897; reissued January 12, 1904.)

The enclosed motion picture is leased only and upon the following terms and conditions:—

1. That the lessee shall not sell or otherwise dispose of the same outright, but shall have only the right to sublet or use such motion picture.

2. That the lessee shall permit such motion picture to be exhibited only on motion picture projecting machines licensed by the Motion Picture Patents Company of New Jersey under its patents covering such projecting machines.

3. That the lessee shall not have the right to sublet such motion picture until such lessee has entered into an agreement in writing with the Motion Picture Patents Company containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect.

4. That the lessee or user thereof shall not make or permit others to make any reproduction, commonly known as a "dupe" of such motion picture or any other motion pictures containing the inventions of the above reissued patents.

5. That the lessee or user thereof shall not remove the trade-mark or trade-name or title therefrom.

6. That the violation of any of the foregoing conditions, including the terms and conditions of the agreement referred to in 3, entitles the lessor to immediate possession of this motion picture without liability for any price which the lessee or the person in whose possession it is found, may have paid therefor.

(8) The Licensee further covenants and agrees not to use, in the production of negative or positive motion pictures, under this agreement, the negative or positive motion pictures (or reproductions commonly known as "duplicates" of the negative or positive motion pictures) of any other manufacturer or person, firm or corporation located either in the "territory aforesaid" or in any foreign country, whether the same have or have not been copyrighted in the "territory aforesaid" or in any foreign country.

(9) The Licensor has established the following scale of minimum prices (which the Licensee admits is a fair and reasonable one) for the lease of positive motion pictures on film of a greater width than approximately one (1) inch in the "lease territory aforesaid," embodying the invention of said reissued Letters Patent No. 12,192:

List	13	cents	per	running	foot
Standing Order	11	"	"	"	"
Films leased between two and four					
months after release date.....	9	"	"	"	"

Films leased between four and six months

after release date 7 " " " "

Films leased over six months after release

date 5 " " " "

The Licensor and Licensee further mutually covenant and agree that the above scale of minimum prices is to remain in force until a new scale of prices is adopted, each such new scale to be adopted, during the continuance of this agreement, by a majority vote to be forthwith communicated to the Licensor of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees on the basis of one vote for each thousand running feet of new subjects on film of a greater width than approximately one (1) inch offered for lease or sale in the "territory aforesaid" by each licensee during the year preceding the taking of such vote; and they further covenant and agree that any changes which may hereafter be so made and communicated to the Licensor in said scale of prices, and of which the Licensee shall be notified in writing by the Licensor, shall be accepted and adopted by the Licensee in the place and stead of the scale of prices above given or of any substitute or substitutes therefor adopted prior to such change. It is, however, expressly mutually covenanted and agreed that in no case shall such new scale of prices, either list or standing order, be less than nine (9) cents per running foot for any motion picture leased within four months of the date of release of the said motion picture.

By the expression "running feet of new subjects" above referred to, and hereafter used, the parties hereto mean the aggregate amount ascertained by adding together the individual number of running feet of one print of each and every new motion picture on film of a greater width than approximately one (1) inch, regularly listed and offered for lease in the "lease territory aforesaid."

The Licensor and Licensee further mutually covenant and agree that in case, during the continuance of this agreement, there should for any reason be only three such licensees, then, and in such case, the Licensor may adopt a minimum scale of prices in the place and stead of the minimum scale of prices above given or of any substitute or substitutes therefor adopted in the manner above provided, which, however, shall in no case be above the minimum scale of prices that may be in force at the time the Licensor adopts the said new mini-

num scale of prices, which said new minimum scale of prices shall be binding upon the Licensee, but only after receiving notice thereof in writing from the Licensor.

(10) The Licensor and Licensee further mutually covenant and agree that an order in the "lease territory aforesaid," for one or more positive motion pictures of each and every new subject made by the Licensee, (except chrono-photographic subjects and other special subjects that are announced and advertised as special by the Licensee and of which no copy or print is leased by the Licensee for less than list price within two (2) months after release date) when offered for lease in the regular order of business, shall constitute a "standing order" within the meaning of the scale of prices aforesaid or any substitute therefor hereafter adopted; said standing order to remain in force for not less than fourteen (14) consecutive days; and the parties hereto further mutually covenant and agree that the minimum price at which any additional positive motion picture shall be leased, in the "lease territory aforesaid," subsequent to the filling of a standing order, shall be the same per running foot as the pictures furnished on such standing order, unless otherwise provided for in the scale of prices aforesaid or any substitute therefor hereafter adopted. All positive motion pictures which may be hereafter leased in the "lease territory aforesaid," to persons not having a standing order, as above defined, shall in every case be leased at not less than the list price mentioned in said scale of prices or any substitute therefor hereafter adopted, except it be otherwise provided by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid," by each licensee during the year preceding the taking of such vote, and except as provided for in Paragraph 12 as to "special motion pictures."

(11) The Licensor and Licensee further mutually covenant and agree that positive motion pictures made by or for the Licensee and unsold prior to the date hereof, shall be subject to the scale of prices aforesaid and shall be leased in the "lease territory aforesaid" at not less than the prices fixed in said scale for positive motion pictures as provided for in Paragraphs 9 and 10.

(12) The Licensor and Licensee further mutually covenant and agree that in the case of so-called "special motion pictures," (where it is agreed, by the Licensee, that the negative shall be the exclusive property of the person ordering the same, although remaining in the care and custody of the Licensee, and where positive prints therefrom shall be made from time to time on the order of such person), the price to be paid for the making of such motion pictures in the "territory aforesaid" shall not be less than fifty cents (50c) per running foot for the first positive motion picture and fifteen cents (15c) for each positive motion picture thereafter.

(13) The Licensee further covenants and agrees not to lease motion pictures in the "lease territory aforesaid" under any circumstances, either directly or indirectly, during the continuance of this agreement, at lower prices than those fixed and established as provided for in Paragraphs 9, 10, 11 and 12.

(14) It is further mutually covenanted and agreed by the Licensor and Licensee that the Licensee shall have the right to sell motion pictures in or for "said export territory," and that the prices above referred to in Paragraphs 9, 10, 11 and 12, or any substitute or substitutes for the same hereafter adopted, shall not apply to sales or shipments, of motion pictures made *bona fide* for export, when the goods, addressed to the purchaser, agent or consignee, are delivered to the vessel or to a transportation company for transportation to "said export territory," and not otherwise.

The Licensor and Licensee further mutually covenant and agree that in no case shall sales "for export" of motion pictures be knowingly made by the Licensee to persons, firms or corporations whom such Licensee has reason to believe will reimport them into the "lease territory aforesaid" for sale or use.

(15) The Licensor and the Licensee further mutually covenant and agree that except as provided for in Paragraph 5, the Licensee will not sell or lease or offer for sale or lease in the "territory aforesaid" at reduced prices second-hand motion pictures or motion pictures which have been used or which have become shop-worn or in any way damaged.

(16) The Licensor and the Licensee further mutually covenant and agree that in the "lease territory aforesaid," all leases of positive motion pictures shall be at the prices hereinbefore provided for, without the allowance of any discounts or rebates or

other reduction (except such as may be adopted by the unanimous votes of all the licensees) by which a lessee might acquire positive motion pictures at lower prices than those set forth in Paragraphs 9, 10, 11 and 12, or any substitutes therefor hereafter adopted, and that the Licensee will not dispose of such positive motion pictures as premiums, or by lottery, or raffle, or any game of chance, or in any way whereby they may be acquired directly or indirectly for less than the prices set forth in Paragraphs 9, 10, 11 and 12, or substitutes therefor.

The Licensee further covenants and agrees that, in the "lease territory aforesaid," the Licensee will not sell or offer for sale other goods or merchandise at less than current prices in order to induce the lease of positive motion pictures, nor present or donate other goods or merchandise or prizes, or make use of credit cards or trading stamps, or offer any premiums of any kind whatsoever to induce the lease of such positive motion pictures.

(17) It is further mutually covenanted and agreed by and between the Licensor and Licensee that no lease of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be made in the "lease territory aforesaid" by the Licensee, except upon and subject to the following terms and conditions, the substance of which (with the exception of the condition as to the return of positive motion pictures hereinafter referred to) shall be expressed in a printed notice on the labels, as provided for in Paragraph 7, accompanying each positive motion picture, namely: (1) that the lessee of such positive motion picture shall not sell or otherwise dispose of the same outright, but shall only have the right to use such positive motion picture in giving motion picture exhibitions in machines licensed by the Licensor under the said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, or one or more of them, or under any other letters patent that it may hereafter acquire or control, or to sublet such motion picture for use in such machines, and that (2) the lessee shall not make or permit others to make any reproduction commonly known as a "dupe" of such positive motion picture or any other positive motion picture containing the invention of said reissued letters patent No. 12,192, and that (3) the lessee shall not sublease the same or any other positive motion picture on film of a greater width than approxi-

mately one (1) inch containing the invention of said reissued letters patent No. 12,192, for use in giving motion picture exhibitions, until such lessee has entered into an agreement in writing with the Licensor containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect; and (4) that the lessee of such positive motion picture shall not remove the trade-mark or trade-name or title therefrom, and (5) that the lessee shall return to the Licensee from whom such positive motion picture has been leased (without any payment therefor except the transportation charges incident to the return of the same) on the first day of every month, beginning with February 1st, 1909, an amount of positive motion pictures (on film of a greater width than approximately one (1) inch in running feet (not leased by the Licensee over twelve months before) and of the make of the Licensee to whom it is returned, equal to the amount that was so leased during the seventh month preceding the date of each such return, with the exception, however, that where any such positive motion pictures are destroyed by fire or lost in transportation, and proof satisfactory to the Licensee is furnished as to such destruction or loss, the amount so destroyed or lost shall be deducted from the amount to be returned, as aforesaid, and (6) that the violation of any of the foregoing conditions, including the terms and conditions of the agreement referred to in condition 3, entitles the lessor to immediate possession of such motion picture without liability for any price which the lessee or the person in whose possession it is found, may have paid therefor.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that the sub-leasing price for sub-leasing of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be fixed (and which may be changed in the same manner during the continuance of this agreement, as may also the 5th condition before recited in this paragraph), by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid" by each licensee during the year preceding the taking of such vote.

The Licensee further covenants and agrees that in the "lease territory aforesaid" it will not discriminate in favor of any lessee, or place upon any motion pictures any restrictions, other than those specified in this paragraph and Paragraph 7, unless authorized by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees.

(18) The Licensee covenants and agrees that in the "lease territory aforesaid" the Licensee will dispose of the positive motion pictures, on film of a greater width than approximately one (1) inch, manufactured, produced or printed by the Licensee, only by the sale "for export" and shipment thereof into "said export territory" or by the lease thereof to others for the purpose only of either subleasing the same to persons, firms or corporations using such motion pictures for giving exhibitions thereof in exhibiting or projecting machines licensed by the Licensor containing the inventions, or some of them, described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, or in Letters Patent hereafter acquired or controlled by the Licensor, or of using the same in such machines so licensed; and will not use the same for the purpose of giving exhibitions thereof for profit, directly or indirectly; it being expressly understood and agreed by and between the Licensor and Licensee, however, that the Licensee shall be at liberty to give exhibitions of such positive motion pictures without profit, directly or indirectly, and to possible or prospective lessees or purchasers thereof; that the Licensee further covenants and agrees not to knowingly allow positive motion pictures, on films of a greater width than approximately one (1) inch, manufactured by the Licensee under this agreement, to be leased for use with any exhibiting or projecting machine not licensed by the Licensor under the letters patent mentioned in this paragraph, and that it may hereafter acquire or control, or one or more of them, except by and with the consent of the Licensor; and also to refrain from supplying such motion pictures manufactured or imported under this agreement, for use with any exhibiting or projecting machine, the license for which, under the aforesaid Letters Patent, or one or more of them, has been terminated and the Licensee has been notified thereof by the Licensor; and also to refrain from supplying such motion pictures manufactured and imported under this agreement to any lessee

who may sublet such motion pictures to persons, firms or corporations using the same for giving exhibitions thereof in exhibiting or projecting machines not licensed by the Licensor as aforesaid, or the license for which has been terminated and the Licensee has been notified by the Licensor that any such lessee continues to so sublet such motion pictures after being notified by the Licensor not to do so; and the Licensor covenants and agrees to promptly notify any such lessee who may so sublet such motion pictures, after it has knowledge of any such subletting, and to notify the Licensee and the additional licensees hereafter provided for, or such of them as may at the time be licensees, of the termination of any license for the use of any exhibiting or projecting machines under the aforesaid Letters Patent, or any of them, and of any such lessee who may so sublet such motion pictures, after being notified by it not to do so, and to compel all such additional licensees to refrain from supplying motion pictures for use with any such exhibiting or projecting machine, the license for which has been so terminated, or to any such lessee.

(19) The Licensor and Licensee further mutually covenant and agree that the Licensor shall and will during the continuance of this agreement promptly institute suits against any and all infringers of the Letters Patent or any of them mentioned in this agreement, on the request of a majority of the licensees, including the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, and will thereafter diligently prosecute any such suit or suits to final hearing and decision; all expense connected with the institution and prosecution of such suit or suits to be borne by the Licensor, who shall also be entitled to receive and apply to its own use all recoveries had therein for damages and profits.

The Licensor and Licensee further mutually covenant and agree that if in case any such suit is brought upon said reissued Letters Patent Nos. 12,037, 12,192, or said Letters Patent Nos. 586,953 or 722,382, either of the claims of said reissued Letters Patent No. 12,192 or either of the first, second or third claims of said reissued Letters Patent No. 12,037, or any of the claims in issue in any such suit upon said Letters Patent Nos. 586,953 or 722,382, is or are held invalid by a court that last hears and decides such suit, or should be held by such court not to be infringed, then, and in any such

case, the Licensee may at once terminate this agreement and the license thereby granted, by giving notice of its election so to do to the Licensor.

The Licensor and Licensee further mutually covenant and agree that the Licensor may, at its own expense (except as hereinafter provided) during the continuance of this agreement, institute and prosecute suits against any of the several additional licensees hereinafter provided for, for any breach or violation on the part of any such licensee of the covenants respecting prices at which positive motion pictures shall be leased in the "lease territory aforesaid," and also for violation of any of the other terms, conditions or stipulations entered into by such licensee; that the Licensor shall at the end of each year, counting from the day and year first above written, render to the Licensee and the other licensees hereinafter provided for, or such of them as may at the time be licensees, a statement in writing showing in detail all legal expenses incurred by it during such year in the prosecution of such suit or suits; and that up to, but not exceeding the sum of Twenty Thousand Dollars (\$20,000) for any such year, all such legal expenses, insofar as they may be reasonable and proper, shall be borne and paid by the Licensee and the several additional licensees hereinafter provided for, *pro rata* according to the number of thousand running feet of new subjects offered for lease by each relatively to the total number of thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale by all in the "territory aforesaid," during the year preceding the rendition of such statement, any legal expenses in excess of said Twenty Thousand Dollars (\$20,000) during any such year to be borne and paid by the Licensor unless the Licensor and the Licensee and the several additional licensees hereinafter provided for should hereafter mutually agree otherwise.

(20) It is mutually covenanted and agreed by and between the Licensor and Licensee that the Licensor may grant other licenses under said reissued Letters Patent Nos. 12,037 and 12,192, and said Letters Patent Nos. 629,063 and 707,934, so far as the use of the inventions thereof in cameras is concerned, said licenses to be in writing and not to exceed nine in number, except by a majority vote of the Licensee and the nine other licensees or such of them as may at the time be licensees, on the basis of one vote for each thousand

running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid," by such licensees during the year preceding the taking of such vote), and not to be granted or continued upon terms, conditions or stipulations which are in any respect more favorable to the licensees named therein than those set forth in this agreement (except to the Edison Company, and it shall only be more favorable to it in the matter of the payment of royalties to the Licensor), and in the case of the license to George Kleine, it shall be so restricted as to prohibit said Kleine from manufacturing negative motion pictures in "the territory aforesaid," and from manufacturing from imported negative motion pictures, positive motion pictures, and importing positive motion pictures, in all more than three thousand "running feet of new subjects" per week, *provided, however*, that if any such additional nine licenses should be terminated, during the continuance of this agreement, then and in each such case, the Licensor may grant a license in writing to some other motion picture manufacturer; but not on terms, conditions or stipulations which are more favorable as to such new licensee than those set forth in this agreement.

It is further mutually covenanted and agreed by and between the Licensor and the Licensee that the Licensor will, during the continuance of this agreement, license such a number of persons, firms or corporations under said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, to make and sell exhibiting or projecting machines containing the inventions described and claimed in the same, capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, and also such machines not capable of exhibiting or projecting motion pictures on film of a greater width than approximately one (1) inch, as will be able to supply the demand for the same; and that it shall not, and it hereby covenants and agrees that it will not, during the continuance of this agreement, license any person, firm or corporation under said Letters Patent or any of them to make or sell any such exhibiting or projecting machine containing any of the inventions described and claimed in said Letters Patent, and capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, except upon the conditions and restrictions that the sale and purchase of such machine gives only

the right to use it solely for exhibiting or projecting motion pictures containing the inventions of said reissued Letters Patent No. 12,192, leased by a licensee of the Licensor, while it owns or controls the Letters Patent under which such machine is licensed and upon other terms to be fixed by the Licensor while in use, and while the Letters Patent under which it is licensed, are owned and controlled by the Licensor (which other terms shall only be the payment of a royalty or rental to the Licensor while in use, as hereinbefore provided for) and that there shall be attached to each such machine, in a conspicuous place, a plate, which is not to be removed therefrom, showing plainly, not only the dates of the Letters Patent under which it is licensed, but also the aforesaid conditions or restrictions.

The Licensor further covenants and agrees that it will not charge any such person, firm or corporation manufacturing and selling any such machine capable of exhibiting or projecting motion pictures on a film of a width greater than approximately one (1) inch, more than Five Dollars (\$5.00) as a license fee for the sale of each such exhibiting or projecting machine sold by any such person, firm or corporation.

The Licensor further covenants and agrees that it will not license any person, firm or corporation to make or sell any exhibiting or projecting machine containing any of the inventions described and claimed in the aforesaid Letters Patent which is not capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, except upon the conditions and restrictions that such machine be used solely for exhibiting or projecting motion pictures on film not wider than approximately one (1) inch, in places where no admission fee is charged, and that there shall be attached to each such machine, in a conspicuous place, a plate, which is not to be removed therefrom showing plainly, not only the dates of the Letters Patent under which it is licensed, but also the aforesaid conditions and restrictions, and that the Licensor will not charge to any person, firm or corporation making or selling any such machine a license fee of more than 5% of the net retail selling price of each such machine.

The Licensor further covenants and agrees that it will grant a license to the Licensee, upon its request, to manufacture and sell exhibiting or projecting machines under the Letters Patent, and upon the condition as to the payment of the license fees or royalties

and the other conditions and restrictions, as provided for in this paragraph, and will also grant similar licenses upon the same conditions as to the payment of the license fees or royalties and the other conditions and restrictions, to such of the additional licensees hereinbefore provided for who may request the same, except that the said American Mutoscope & Biograph Company is not to pay any such license fees or royalties; and will also grant a license to the Licensee and any such additional licensees who may request the same, to make and sell exhibiting or projecting machines under any other Letters Patent and containing the inventions described and claimed therein that the Licensor may hereafter acquire or control, upon the payment of additional license fees or royalties to be fixed by the Licensor, and subject to similar conditions and restrictions and the placing upon the machines of plates containing such conditions and restrictions as are provided for in this paragraph respecting exhibiting or projecting machines made and sold under the Letters Patent now owned by the Licensor mentioned in this paragraph, the royalty or license fee, and all other conditions and restrictions of such last named licenses to be the same for the Licensee and such other licensees, provided, however, that if any such license is granted to the Licensee, it may be terminable by the Licensor in the event of the termination of this agreement by reason of a decree in the "said equity suit," ordering the grant of a license by the Licensor to the said George Melies Company.

It is mutually covenanted and agreed, however, by and between the Licensor and Licensee, that the Licensor shall have the right to grant and that it will grant licenses to persons, firms and corporations upon their request (including the Licensee) to manufacture and sell, exhibiting or projecting machines, containing the inventions described and claimed in the aforesaid Letters Patent now owned by the Licensor, capable of exhibiting or projecting, by reflected light, animated pictures on film of any width, but not capable of exhibiting or projecting the same by transmitted light, upon the payment of a royalty or license fee not to exceed 5% of the net retail selling price of each such machine, and upon the condition that they be used only in places where no admission fee is charged, which condition shall appear on a plate to be attached to each such machine; and also that it will grant licenses to such persons, firms and corporations to manufacture and sell such exhibiting or projecting machines containing the inventions described and

claimed in any Letters Patent that the Licensor may hereafter own or control, subject to similar conditions or restrictions and upon the payment of additional license fees or royalties to be fixed by the Licensor; the royalty or license fee, and all the conditions and restrictions of all such licenses, to be the same for the Licensee and such other licensees.

(20a) The Licensor further covenants and agrees that it will keep separate books of account showing all royalties or rents charged to or received, directly or indirectly, from all persons, firms or corporations for the use of any exhibiting or projecting machines containing any of the inventions described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, or any other Letters Patent hereafter acquired or controlled by the Licensor, which books of account shall be open to the inspection of the Licensee or its duly appointed agent or agents at all reasonable times.

The Licensor further covenants and agrees to render a statement in writing to the Licensee within thirty days after June 20, 1909, and thereafter at the end of each year, counting from June 20, 1909, during the continuance of this agreement, showing correctly all royalties or rents collected by or paid to the Licensor, which statement shall be sworn to by an officer of the Licensor, if so requested by the Licensee, and to pay to the Licensee within thirty (30) days after June 20, 1909, and thereafter at the end of each year counting from June 20, 1909, during the continuance of this agreement, a share of twenty-four (24) per cent. of the gross royalties or rents collected by or paid to the Licensor up to June 20, 1909, and thereafter during each year counting from June 20, 1909, as aforesaid, by persons, firms or corporations for the use of exhibiting or projecting machines containing the inventions, or any of them, described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and any other Letters Patent hereafter acquired or controlled by the Licensor; which share shall be such proportion of said twenty-four (24) per cent. of said gross royalties or rents as the number of thousand running feet of "Licensed Film" of a greater width than approximately one (1) inch, ordered by and shipped to the Licensee during each of said

periods, bears to the total number of thousand running feet of such "Licensed Film," ordered by and shipped to the Licensee and the additional licensees during each of said periods added to the total number of running feet of film of a greater width than approximately one (1) inch having positive pictures thereon, imported during each of said periods by one or more of such additional licensees, if any such be licensed to import the same, after deducting the amount of such "Licensed Film," of a greater width than approximately one (1) inch, ordered by and shipped to the Edison Company and the American Mutoscope & Biograph Company during each of said periods, which two latter companies are not to share in or be paid any part of said twenty-four (24) per cent. of said gross royalties or rents.

The Licensor further covenants and agrees that the number of thousand running feet that may be imported by any such additional licensee shall be furnished by it to the manufacturer of such "Licensed Film" within fifteen (15) days after June 20, 1909, and thereafter at the end of every year, counting from June 20, of the previous year, during the continuance of this agreement, and said twenty-four (24) per cent. of said annual gross royalties or rents collected by or paid to the Licensor during each year shall be paid in gross by it within fifteen (15) days after June 20, 1909, and thereafter at the end of each year, counting from June 20 of the previous year, to the manufacturer of such "Licensed Film" to be apportioned by it as aforesaid, through Price, Waterhouse & Company, chartered accountants, or through some other accountants that may be hereafter mutually agreed upon by and between the manufacturer, the Licensor and Licensee and the additional licensees, and said manufacturer shall pay to the Licensee the share of said twenty-four (24) per cent. of said annual gross royalties or rents provided for in this paragraph, after receiving the same, without disclosing, directly or indirectly, (and such manufacturer shall be bound in writing not to disclose, directly or indirectly) to the Licensor, or to any of said additional licensees, the share apportioned or paid to the Licensee.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that in case the Licensor should be notified by the Licensee or it should otherwise come to its knowledge that any such additional licensee has knowingly or through gross neglect or carelessness broken, violated or failed to perform

any of the terms, conditions or stipulations of the license granted by the Licensor, resulting in substantial injury to the Licensor, or the Licensee or the additional licensees aforesaid, the Licensor will promptly notify such licensee in writing of such breach, violation or non-performance, and if such Licensee should, for a period of forty (40) days after such notice, persist in or fail to correct, repair or remedy the same, the Licensor shall at once terminate the license to such licensee; and that in case any such licensee should be guilty of a second grossly neglectful, careless or knowing breach, violation or non-performance of such terms, conditions or stipulations, resulting in substantial injury to the Licensor, or the Licensee or the additional licensees aforesaid, then, and in such case, the Licensor shall terminate the license to such licensee by giving the latter thirty (30) days' notice in writing of its intention so to do.

(20b) The Licensor and Licensee further mutually covenant and agree that by the expression "motion pictures" as used in the foregoing agreement, is meant transparent or translucent tape-like film having photographs thereon of objects in motion.

(21) It is further mutually covenanted and agreed by and between the Licensor and Licensee that unless sooner terminated, as hereinbefore or hereinafter provided, this agreement and the license granted thereby shall take effect on the date thereof. and shall continue until June 20, 1910, but that the Licensee may renew this agreement and license thereafter from year to year upon the same terms, conditions and stipulations, as herein provided, by giving notice to the Licensor on or before April 20th of each year, beginning with the year 1910, of the Licensee's election to so renew this agreement and license, and upon the giving of each such notice this agreement and the license thereby granted shall be considered and treated by the Licensor and Licensee as renewed for a period of one year, beginning June 20th of the year following such notice, except that the last renewal period shall be for the period from June 20th, 1914 to August 26th, 1919, the date of expiration of the Letters Patent No. 707,934.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that if, during said original term or during any such renewal period, either party should, knowingly or through gross neglect or carelessness, be guilty of a breach, violation or non-performance of its covenants, conditions and stipulations,

resulting in substantial injury to the other party, and should, for a period of forty (40) days after notice thereof from the other party, persist therein or fail to correct, repair or remedy the same, then and in such case the party aggrieved may terminate this agreement by giving notice in writing to the guilty party of its intention so to do. It is, however, mutually covenanted and agreed by and between the Licensor and Licensee that if the guilty party should correct, repair or remedy such breach, violation or non-performance of its covenants, conditions and stipulations within the said period of forty (40) days after such notice, and should thereafter knowingly or through gross neglect or carelessness be guilty of a second breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, then and in such case, the party aggrieved may terminate this agreement by giving thirty (30) days' notice in writing to the guilty party of its intention so to do. Such termination of the agreement, however, shall not prejudice either party hereto in the recovery of damages because of any such breach, violation or non-performance by the other party hereto.

(22) All notices provided for in this agreement shall be in writing and shall be given by delivering the same to the Licensor or Licensee, as the case may be, or to an officer of the Licensor or Licensee, as the case may be, or by depositing such notice, postage prepaid, in any Post-office of the United States, in a sealed envelope directed to the Licensor or the Licensee, as the case may be, at its last known Post-office address, to be forwarded by registered mail.

(23) It is mutually covenanted and agreed by and between the Licensor and Licensee that after notice of the termination of this agreement and the license granted thereby by either party, as provided for in Paragraphs 19 and 21 of this agreement, and after the same have been terminated, no matter what the cause or manner of termination may be, neither this license agreement, nor the fact that the Licensee has entered into or acted under it, shall be used in any manner, directly or indirectly, by or for the Licensor, its successors, assigns or legal representatives, or by or for others with its or their consent or permission, against the Licensee, or the Licensee's successors or legal representatives, in any litigation, controversy or proceeding involving the Licensee or them or any other persons, firms or corporations, or in any other way, it being understood and agreed that upon such termination the positions and

rights of the Licensor and Licensee shall be the same as if this agreement had not been made; *provided, however*, that the rights of neither party shall be prejudiced by such termination in the recovery of damages for any breach or other violation of this agreement by the other occurring prior to such termination.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENTS COMPANY.

By H. N. MARVIN,
Vice-President.

GASTON MELIES,
GEO. MELIES.

By GASTON MELIES,
Attorney.

Attest:

GEORGE F. SCULL,
Secretary.

ANSON McCOOK BEARD.

63.

SUPPLEMENTAL
LICENSE AGREEMENT

(1) THIS AGREEMENT, made this 21st day of July, 1909, by and between the MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey and having an office at Orange in said State, party of the first part (hereinafter referred to as the "Licensor"); and GASTON MELIES, of New York City (for himself and as attorney for George Melies of Paris, France), party of the second part (hereinafter referred to as the "Licensee"), WITNESSETH:

(2) WHEREAS, an agreement in writing was entered into on the 20th day of July, 1909, by and between the Licensor and the Licensee; and

(3) WHEREAS, the Licensor and the Licensee are desirous of modifying and altering the said agreement of July 20th, 1909, in certain particulars:

NOW THIS AGREEMENT WITNESSETH:

(4) That the Licensor and the Licensee, in consideration of the sum of One Dollar (\$1.00) each to the other in hand paid, the receipt of which is hereby acknowledged, mutually covenant and agree to, and do hereby, modify and alter said agreement as follows:

(5) By inserting and adding as Paragraph 17a in said agreement, the following:

(17a) The Licensor and Licensee further mutually covenant and agree that the Licensor shall and will enter into an agreement in writing with every person, firm or corporation recommended to the Licensor by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, upon the request of any such person, firm or corporation so recommended, upon such terms and conditions, not inconsistent with the terms and conditions of this agreement, as may be recommended to the Licensor by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, and which agreement shall contain no other terms and conditions than those so recommended, and

that the Licensor will not terminate any such agreement except upon the recommendation to the Licensor by a majority vote of the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees.

(6) That except as hereby modified and altered, the said agreement of July 20th, 1909, and every representation, clause, covenant, and recital therein contained shall remain in full force and effect, in the same manner as if said Paragraph 17a were in said agreement as originally executed.

(7) IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENTS COMPANY,

By

GASTON MELIES,

GEORGE MELIES.

By Gaston Melies, Attorney.

Attest:

.....
ANSON McCOOK BEARD.

64.

The Rental Exchange License Agreement
between
Motion Picture Patents Company
and
General Film Company
dated April, 1910,
is identical in terms with the foregoing License Agreement
between
Motion Picture Patents Company
and
the rental exchanges, ante p. 239.

65.

AGREEMENT BETWEEN MOTION PICTURE PATENTS COMPANY AND GENERAL FILM COMPANY, APRIL 21, 1910.

1. This agreement, made this 21st day of April, 1910, by and between the Motion Picture Patents Company, a corporation organized and existing under the laws of the State of New Jersey, and having an office in the city, county, and State of New York, party of the first part (hereinafter referred to as the Licensor), and the General Film Company, a corporation organized and existing under the laws of the State of Maine, and having an office in said city of New York, party of the second part (hereinafter referred to as the Licensee), witnesseth that:

2. Whereas, the Licensor represents that it is organized to own, deal in, and grant licenses under letters patent pertaining to the motion picture art, and that it is the owner of all the right, title, and interest in and to the following United States Letters Patent relating to that art:

No. 578185, dated March 2, 1897, for vitascope, granted to Thomas Armat;

No. 580749, dated April 13, 1897, for vitascope, granted to Thomas Armat;

No. 586953, dated July 20, 1897, for phantoscope, granted to Charles F. Jenkins and Thomas Armat;

No. 588916, dated August 24, 1897, for kinetoscope, granted to Charles M. Campbell as the assignee of Willard G. Steward and Ellis F. Frost;

No. 629063, dated July 18, 1899, for kinetoscopic camera, granted to American Mutoscope Company as the assignee of Herman Casler;

No. 673329, dated April 30, 1901, for kinetoscope, granted to The American Vitagraph Company as the assignee of Albert E. Smith;

No. 673992, dated May 14, 1901, for vitascope, granted to Thomas Armat;

No. 707934, dated August 26, 1902, for projecting kinetoscope, granted E. & H. T. Anthony & Co. as assignees of Woodville Latham;

No. 722382, dated March 10, 1903, for animated-picture appara-

tus, granted to American Mutoscope and Biograph Company as the assignee of John A. Pross;

No. 744251, dated November 17, 1903, for kinetoscope, granted Albert E. Smith;

No. 770937, dated September 27, 1904, for kinetoscope, granted the Vitagraph Company of America as the assignee of Albert E. Smith;

No. 771280, dated October 4, 1904, for winding reel, granted Albert E. Smith;

No. 785205, dated March 21, 1905, for flame-shield for kinetoscopes, granted The Vitagraph Company of America as the assignee of William Ellwood; and

No. 785237, dated March 21, 1905, for film-holder for kinetoscopes, granted The Vitagraph Company of America as the assignee of Albert E. Smith; and

3. Whereas, the Licensors are the owners of all the right, title, and interest in and to reissued letters patent of the United States numbered 12192, dated January 12th, 1904, the original letters patent whereof are numbered 589168 and dated August 31, 1897, under which reissued letters patent licenses have been granted to the Edison Manufacturing Company, of Orange, New Jersey; Pathe Freres, of New York, New York; the Kalem Company (Inc.), of New York, New York; the Essanay Film Manufacturing Company, of Chicago, Illinois; the Lubin Manufacturing Company, of Philadelphia, Pennsylvania; Gaston Melies, of New York, New York (for himself and as attorney in fact for George Melies, of Paris, France); the Selig Polyscope Company, of said Chicago; the Vitagraph Company of America, of New York, New York; George Kleine, of said Chicago, and the Biograph Company, of New York, New York, (which licensees are, with their successors as such, hereinafter referred to as "Patents Company Licensees"); and

4. Whereas, the Licensee desires to obtain from the Licensors a license under said reissued Letters Patent 12192, and to lease position motion pictures in certain territory, for use in exhibiting or projecting machines containing the inventions, or any of them, described and claimed in said Letters Patent Nos. 578185, 580749, 586953, 588916, 673329, 673992, 707934, 722382, 744251, 770937, 771280, 785205, and 785237, and to sell positive motion pictures in certain other territory;

5. Now, therefore, the parties hereto, for and in consideration of the sum of one dollar to each paid by the other, and for other good and valuable considerations from each to the other moving, receipt of all of which is hereby acknowledged, have agreed as follows:

6. The Licensor hereby grants to the Licensee, for the term and subject to the covenants, conditions, and stipulations hereinafter expressed, the right and license for the United States, its territories, dependencies, and possessions (hereinafter called the "territory aforesaid") to have positive motion pictures manufactured for it by "Patents Company Licensees," and which motion pictures it shall own, on film of a greater width than approximately one inch, embodying the inventions of said reissued Letters Patent No. 12192, from negative motion pictures made in foreign countries and which are procured by it from others than "Patents Company Licensees," and to purchase positive motion pictures manufactured in foreign countries, and to lease said positive motion pictures, so manufactured for and purchased by it, in the United States, its territories, dependencies, and possessions (with the exceptions of its insular possessions and Alaska), hereinafter referred to as the "lease territory aforesaid," to motion picture exhibitors upon condition that they be used solely in exhibiting or projecting machines containing the inventions or some of them of said Letters Patent Nos. 578185, 580749, 586953, 588916, 673329, 673992, 707934, 722382, 744251, 770937, 771280, 785205, and 785237, and licensed by the Licensor and to sell said positive motion pictures so manufactured for and purchased by it, in or for said insular possessions and Alaska and foreign countries, hereinafter referred to as "said export territory" or "for export"; it being understood and agreed by the Licensor and Licensee that the latter in the leasing of a positive motion picture shall not be limited to a single lease thereof to one motion picture exhibitor, but that it may, subject to the provisions of section 5 of paragraph hereof numbered 14, lease the same as often and to as many different motion picture exhibitors as it may desire.

The license hereby granted is personal to the Licensee and, in the event of the permanent discontinuance or retirement from business of the Licensee for a period of six consecutive months, the license hereby granted shall be immediately terminated.

7. The Licensee hereby recognizes and admits the validity of said reissued Letters Patent No. 12192 and Letters Patent Nos. 578185, 580749, 586953, 588916, 673329, 673992, 707934, 722382, 744251, 770937, 771280, 785205, and 785237, and agrees not to contest or question the same during the continuance of this agreement.

8. The Licensee covenants and agrees that all positive motion pictures manufactured for it, in the "territory aforesaid," during the continuance of this agreement, will be so manufactured for it only by "Patents Company Licensees"; that in the manufacture of such positive motion pictures in the "territory aforesaid," it will have used only negative motion pictures made in foreign countries and procured by it from others than "Patents Company Licensees"; and that it will not, in the "territory aforesaid," purchase or otherwise acquire or lease or sell or otherwise dispose of or deal in positive motion pictures except those manufactured for and purchased by it as aforesaid, without the consent in writing of the Licensor, nor sell or otherwise dispose of any negative motion pictures.

9. The Licensee covenants and agrees that it will, after the license hereby granted takes effect, pay royalty to the Licensor between the first and fifteenth days of each month on all negative motion pictures procured and positive motion pictures purchased by it as aforesaid during the preceding month, at the maximum rate of one-half ($\frac{1}{2}$) cent per running foot hereinafter provided for; that it will keep accurate books of account and submit statements at the time of making such payments (sworn to, if required by the Licensor) giving the total number of running feet of such motion pictures, classified according to subjects, which the Licensee has so procured and purchased during the preceding month; that the Licensor shall have the right to inspect its books of account, through any reputable chartered accountants, to determine the amount of such motion pictures which it shall have so procured and purchased after the license hereby granted takes effect; and that any failure to pay the said royalties when due and payable, or any making of a false return by the Licensee of the amount of such motion pictures so procured and purchased by it, shall make the license hereby granted terminable by the Licensor.

10. The Licensor further covenants and agrees that the royalties which it will charge to the Licensee for negative motion pictures procured and positive motion pictures purchased by the Licensee

as aforesaid shall not, during the year preceding June 20, 1910, and during any year thereafter during the continuance of this agreement, as hereinafter provided, exceed the following rates—that is to say:

If the amount of such motion pictures for any such year be four million running feet or less, a royalty of one-half ($1\frac{1}{2}$) cent per running foot on the total number of running feet for that year; if the amount thereof for any such year exceed four million running feet but do not exceed six million running feet, a royalty of four and one-half ($4\frac{1}{2}$) mills per running foot on the total number of running feet for that year; if the amount thereof for any such year exceed six million running feet but do not exceed eight million running feet, a royalty of four (4) mills per running foot on the total number of running feet for that year; if the amount thereof for any such year exceed eight million running feet but do not exceed ten million running feet, a royalty of three and three-quarters ($3\frac{3}{4}$) mills per running foot on the total number of running feet for that year; and if the amount thereof for any such year exceed ten million running feet, a royalty of three and one-quarter ($3\frac{1}{4}$) mills per running foot on the total number of running feet for that year.

The Licensor further covenants and agrees that it will, within thirty (30) days after June 20 of each year, repay to the Licensee any excess of royalties which may have been paid by the Licensee during the year by reason of the difference between the rate of one-half ($1\frac{1}{2}$) cent per running foot which the Licensee shall have paid and the rate, based on the total amount of such motion pictures procured and purchased by it for the year, which the Licensee should have paid according to the foregoing schedule, the royalty rate to be charged for the period between the date hereof and June 20, 1910, to be that which would have been charged if the procuring and purchasing of such motion pictures by the Licensee had been continued for a year at the same rate at which they were so procured and purchased for such period.

The Licensor and Licensee further mutually covenant and agree that no royalty other than or in addition to that provided for in this paragraph shall be charged to or collected from the Licensee by the Licensor up to June 20, 1911, or during any renewal of this agreement up to August 31, 1911, the date of the expiration of said

reissued Letters Patent No. 12192, and no royalty whatever shall be charged to or collected from the Licensee by the Licensor after either of the claims of said reissued Letters Patent No. 12192 and either of the claims of reissued Letters Patent No. 12037, dated September 30, 1902, (owned by the Licensor and under which all of the "Patents Company Licensees," with the exception of George Kleine, have been licensed), in any suit for infringement thereof, is held invalid by a court that last hears and decides such suit, or after August 31, 1914, during any renewal of this agreement.

11. The Licensee further covenants and agrees not to sell or otherwise dispose of or offer for sale, in the "territory aforesaid," unexposed positive or negative motion picture films during the continuance of this agreement; but this provision shall not prevent the Licensee from selling, as refuse, in the "territory aforesaid," second-hand positive or negative motion pictures which have been used or become shopworn or in any way damaged, to a manufacturer or manufacturers licensed by the Licensor to manufacture sensitized motion picture film for "Patents Company Licensees," or to a manufacturer to manufacture other articles than film therefrom, but only after they have been rendered by the Licensee unsuitable for use as motion pictures by cutting or otherwise defacing them; nor from selling exposed positive or negative film (either waste or in rolls) known as "blank film" for use by exhibitors for leaders or for spacing or for similar purposes, but which shall not and can not be otherwise employed for the exhibition of motion pictures.

12. The Licensee further covenants and agrees not to lease, loan, rent out, sell, or offer for sale, or otherwise dispose of in the "territory aforesaid," motion pictures to anyone purchasing or otherwise obtaining, leasing, using, loaning, renting out, selling, offering for sale, or otherwise disposing of or dealing in motion pictures containing the invention of said reissued Letters Patent No. 12192, not the output of the Licensee or of other licensees of the Licensor under said Letters Patent.

13. It is further mutually covenanted and agreed by the Licensor and Licensee that the Licensee shall have the right to sell motion pictures, manufactured for or purchased by it as aforesaid, in or for "said export territory," when the goods, addressed to the purchaser, agent, or consignee, are delivered to the vessel or to a

transportation company for transportation to "said export territory," and not otherwise; but in no case shall sales "for export" of motion pictures be knowingly made by the Licensee to persons, firms, or corporations whom such Licensee has reason to believe will reimport them into the "lease territory aforesaid" for sale or use.

14. It is further mutually covenanted and agreed by and between the Licensor and Licensee that no lease of positive motion pictures manufactured for or purchased by the Licensee, as aforesaid, shall be made in the "lease territory aforesaid" by the Licensee, except upon and subject to the following terms and conditions, namely: (1) That the lessee of such positive motion picture shall not sell or otherwise dispose of the same, but shall only have the right to use such positive motion picture in giving motion picture exhibitions in machines licensed by the Licensor under the said Letters Patent Nos. 578185, 580749, 586953, 588916, 673329, 673992, 707934, 722382, 744251, 770937, 771280, 785205, and 785237, or one or more of them, or under any other letters patent that it may hereafter acquire or control; and (2) that the lessee shall not make or permit others to make any reproduction commonly known as a "dupe" of such positive motion picture or any other positive motion picture containing the invention of said reissued Letters Patent No. 12192; and (3) that the lessee shall not sub-let such motion picture; and (4) that the lessee of such positive motion picture shall not remove the trade-mark or trade name or title therefrom; and (5) that the Licensee shall on the first day of every month, beginning with December 1, 1910, withdraw from the market an amount of such positive motion pictures (not leased by the Licensee over twelve months before) equal to the amount of such positive motion pictures that was so leased by it during the seventh month preceding the date of each such withdrawal, with the exception, however, that where any such positive motion pictures are destroyed by fire or lost in transportation, the amount so destroyed or lost shall be deducted from the amount to be withdrawn as aforesaid; and (6) that the violation of any of the foregoing conditions entitles the lessor to immediate possession of such motion picture without liability for any price which the lessee or the person in whose possession it is found may have paid therefor.

15. The Licensee covenants and agrees that in the "lease territory aforesaid" the Licensee will dispose of the positive motion pictures manufactured for and purchased by it, as aforesaid, only by the sale "for export" and shipment thereof into "said export territory" or by the lease thereof to motion picture exhibitors for the purpose only of using such motion pictures for giving exhibitions thereof in exhibiting or projecting machines licensed by the Licensor containing the inventions, or some of them, described and claimed in said Letters Patent Nos. 578185, 580749, 586953, 588916, 673329, 673992, 707934, 722382, 744251, 770937, 771280, 785205, and 785237, or in Letters Patent hereafter acquired or controlled by the Licensor; and will not use the same for the purpose of giving exhibitions thereof for profit, directly or indirectly; it being expressly understood and agreed by and between the Licensor and Licensee, however, that the Licensee shall be at liberty to give exhibitions of such positive motion pictures without profit, directly or indirectly, and to possible or prospective lessees or purchasers thereof; and the Licensee further covenants and agrees not to knowingly allow positive motion pictures manufactured for or purchased by it under this agreement to be used with any exhibiting or projecting machine not licensed by the Licensor under the Letters Patent mentioned in this paragraph, and that it may hereafter acquire or control; or one or more of them, except by and with the consent of the Licensor; and also to refrain from supplying such motion pictures manufactured for or purchased by it under this agreement, for use with any exhibiting or projecting machine, the license for which, under the aforesaid Letters Patent, or one or more of them, has been terminated, and the Licensee has been notified thereof by the Licensor; and also to refrain from supplying such motion pictures manufactured for and purchased by it under this agreement to any lessee who may loan or sub-lease such motion pictures and the Licensee has been notified thereof by the Licensor, or who may use such motion pictures for giving exhibitions thereof in exhibiting or projecting machines not licensed by the Licensor as aforesaid, or the license for which has been terminated and the Licensee has been notified thereof by the Licensor; and the Licensor covenants and agrees to promptly notify the Licensee and all other persons, firms and corporations licensed under said reissued Letters Patent No. 12192 of the termination of any license for the use of any

exhibiting or projecting machines under the aforesaid Letters Patent, or any of them.

16. The Licensor and Licensee further mutually covenant and agree that if in any suit brought upon said reissued Letters Patent No. 12192 either of the claims of said reissued Letters Patent No. 12192 is held invalid by a court that last hears and decides such suit, or should be held by such court not to be infringed, then, and in any such case, the Licensee may at once terminate this agreement and the license thereby granted, by giving notice of its election so to do to the Licensor.

17. The Licensor and Licensee further mutually covenant and agree that by the expression "motion pictures" as used in the foregoing agreement is meant transparent or translucent tapelike film having photographs thereon of objects in motion.

18. It is further mutually covenanted and agreed by and between the Licensor and Licensee that, unless sooner terminated, as hereinbefore or hereinafter provided, this agreement and the license granted thereby shall take effect at the date hereof, and shall continue until June 20, 1911, but that the Licensee may renew this agreement and license thereafter from year to year upon the same terms, conditions, and stipulations as herein provided by giving notice to the Licensor on or before April 20 of each year, beginning with the year 1911, of the Licensee's election to so renew this agreement and license, and upon the giving of each such notice this agreement and the license thereby granted shall be considered and treated by the Licensor and Licensee as renewed for a period of one year, beginning June 20th of the year following such notice, except that the last renewal period shall be for the period from June 20, 1914, to August 26, 1919, the date of expiration of the Letters Patent No. 707934.

It is further mutually covenanted and agreed by and between the Licensor and Licensee that if, during said original term or during any such renewal period, either party should knowingly or through gross neglect or carelessness be guilty of a breach, violation, or non-performance of its covenants, conditions, and stipulations, resulting in substantial injury to the other party, and should for the period of forty (40) days after notice thereof from the other party persist therein or fail to correct, repair, or remedy the same, then and in such case the party aggrieved may terminate this agreement by giving notice in writing to the guilty party of its intention so to

do. It is, however, mutually covenanted and agreed by and between the Licensor and Licensee that if the guilty party should correct, repair, or remedy such breach, violation, or non-performance of its covenants, conditions, and stipulations within the said period of forty (40) days after such notice, and should thereafter knowingly or through gross neglect or carelessness be guilty of a second breach, violation, or non-performance of its covenants, conditions, and stipulations, resulting in substantial injury to the other party, then and in such case the party aggrieved may terminate this agreement by giving thirty (30) days' notice in writing to the guilty party of its intention so to do. Such termination of the agreement, however, shall not prejudice either party hereto in the recovery of damages because of any such breach, violation, or non-performance by the other party hereto.

19. All notices provided for in this agreement shall be in writing and shall be given by delivering the same to the Licensor or Licensee, as the case may be, or to an officer of the Licensor or Licensee, as the case may be, or by depositing such notice, postage prepaid, in any post office of the United States, in a sealed envelope directed to the Licensor or the Licensee, as the case may be, at its last known post-office address, to be forwarded by registered mail.

20. It is mutually covenanted and agreed by and between the Licensor and Licensee that after notice of the termination of this agreement and the license granted thereby by either party, as provided for in paragraphs 16 and 18 of this agreement, and after the same have been terminated, no matter what the cause or manner of termination may be, neither this license agreement, nor the fact that the Licensee has entered into or acted under it, shall be used in any manner, directly or indirectly, by or for the Licensor, its successors, assigns or legal representatives, or by or for others with its or their consent or permission, against Licensee, or the Licensee's successors or legal representatives, in any litigation, controversy or proceeding involving the Licensee or them or any other persons, firms or corporations, or in any other way, it being understood and agreed that upon such termination the positions and rights of the Licensor and Licensee shall be the same as if this agreement had not been made; provided, however, that the rights of neither party shall be prejudiced by such termination in

the recovery of damages for any breach or other violation of this agreement by the other occurring prior to such termination.

In witness whereof, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENTS COMPANY,

By Frank L. Dyer,
President.

GENERAL FILM COMPANY,

By J. J. Kennedy,
President.

Attest:

George F. Scull,
Secretary.

66.

Agreement between
EDISON MANUFACTURING COMPANY
and
GENERAL FILM COMPANY,
April 21, 1910.

1. Articles of agreement, made and entered into this day of _____, 1910, by and between the Edison Manufacturing Company, a corporation organized and existing under the laws of the State of New Jersey, and having an office in the city of Orange in said State, party of the first part, and the General Film Company, a corporation organized and existing under the laws of the State of Maine, and having an office in the city, county, and State of New York, party of the second part; witnesseth that:

2. Whereas the party of the first part has been licensed by the Motion Picture Patents Company, of New York City, to manufacture motion pictures by the use of cameras under reissued Letters Patent No. 12037, dated September 30, 1902, Letters Patent No. 629063, dated July 18, 1899, and Letters Patent No. 707934, dated August 26, 1902, and containing the inventions of reissued Letters Patent No. 12192, dated January 12, 1904, _____, and to lease positive motion pictures so manufactured _____ by it (hereinafter referred to as "Licensed Motion Pictures") for use on projecting machines licensed by said Motion Picture Patents Company (hereinafter referred to as "Licensed Projecting Machines") under Letters Patent Nos. 578185, 580749, 586953, 588916, 637329, 673992, 707934, 722382, 744251, 770937, 771280, 785205, and 785237, owned by said Motion Picture Patents Company, covering motion picture projecting machines; and

3. Whereas, the party of the second part has been licensed by said Motion Picture Patents Company to lease such "Licensed Motion Pictures," but only on film of a greater width than approximately one (1) inch, from persons, firms and corporations licensed by said Motion Picture Patents Company to manufacture or manufacture and import such "Licensed Motion Pictures," and to sub-let the said "Licensed Motion Pictures" in certain territory (which, however, may hereafter be extended), to motion picture exhibitors for use on "Licensed Projecting Machines"; and has also been licensed by said Motion Picture Patents Company to have positive

motion pictures (hereinafter included in the term "Licensed Motion Pictures") manufactured for it by certain of said licensees, including the party of the first part (and hereinafter referred to as the "Patents Company Licensees aforesaid") on film of the width aforesaid, embodying the inventions of said reissued Letters Patent No. 12192 from negative motion pictures made in foreign countries and which are procured by it from others than the "Patents Company Licensees aforesaid," and which positive motion pictures it shall own, and also to purchase positive motion pictures (hereinafter included in the term "Licensed Motion Pictures") manufactured in foreign countries, and to lease all said positive motion pictures to motion picture exhibitors for use by such exhibitors on "Licensed Projecting Machines"; and

4. Whereas, the party of the second part is desirous of leasing "Licensed Motion Pictures," on film of the width aforesaid, from the party of the first part for the purpose of sub-leasing the same to motion picture exhibitors, under its license aforesaid from the Motion Picture Patents Company;

5. Now, therefore, the parties hereto of the first and second part do hereby covenant and agree as follows:

6. The party of the first part covenants and agrees that it will, during the continuance of this agreement, supply the party of the second part with as many copies of each "Licensed Motion Picture," released by the party of the first part, on film of the width aforesaid, as the party of the second part requires for the conduct of its business, and will so supply them at the same leasing prices and otherwise upon the same terms and conditions as it, at corresponding times, leases such "Licensed Motion Pictures" to other persons, firms, or corporations, and that it will not, during the continuance of this agreement, discriminate against the party of the second part, in favor of other persons, firms, or corporations to whom it leases such "Licensed Motion Pictures," in filling orders for such "Licensed Motion Pictures," in terms of payment therefor or in any other way which might give, or tend to give, such other persons, firms, or corporations any advantage over the party of the second part.

7. The party of the second part covenants and agrees that it will, during the continuance of this agreement, lease from the party of the first part "Licensed Motion Pictures," on film of the width

aforesaid, at the prices and upon the terms and conditions provided for in the last preceding paragraph, and that it will, on each Monday, make or mail payment to the party of the first part for all such "Licensed Motion Pictures," shipped by the party of the first part to the party of the second part, on the order of the latter, and for which the party of the second part has received invoices from the party of the first part, during the preceding week; and that it will use its best efforts to introduce the same to and extend the use thereof by motion picture exhibitors using the "Licensed Projecting Machines," aforesaid; that for each sixty-two customers or the major fraction thereof that it serves during any two consecutive weeks during the continuance of this agreement from any place of business operated by it for the purpose of leasing and sub-leasing motion pictures among motion-picture exhibitors, it will lease from the party of the first part, during each such two consecutive weeks, and will distribute from each such place of business, one reel, of a subject or subjects released by the party of the first part not more than one month previously, of approximately one thousand (1,000) running feet of such "Licensed Motion Pictures," and that it will so lease such a reel for each such place of business during any such two consecutive weeks, even if its customers, which it serves from such place of business during such two consecutive weeks, do not aggregate sixty-two customers or the major fraction thereof; it being expressly covenanted and agreed, however, by and between the parties hereto that the party of the second part shall not be required to lease from the party of the first part more than eighty (80) reels of approximately one thousand (1,000) running feet per reel of "Licensed Motion Pictures" in any two consecutive weeks; and further that it may lease "Licensed Motion Pictures" on film of the width aforesaid from other "Patents Company Licensees aforesaid" than the party of the first part, and sub-let such "Licensed Motion Pictures" to motion picture exhibitors.

8. The party of the second part further covenants and agrees that it will, in addition to the leasing prices hereinbefore referred to, pay to the party of the first part at the end of each year during the continuance of this agreement, the following share of the net profit realized by it during that year from the sub-leasing and leasing, as aforesaid, of "Licensed Motion Pictures," to exhibitors and from the sale of "Licensed Projecting Machines," and from all

other sources, to wit: Such a proportion of the balance, if any, of such net profit, remaining after deducting therefrom the dividend of seven per cent. (7%) for that year on its issued preferred stock and an amount equal to a twelve per cent. (12%) dividend on its issued common stock, as the number of running feet of "Licensed Motion Pictures" leased by it from the party of the first part during that year bears to the total amount of running feet of "Licensed Motion Pictures" leased by it from all "Patents Company Licensees aforesaid" during that year ("Licensed Motion Pictures" manufactured for or purchased by the party of the second part, as aforesaid, as well as "Licensed Motion Pictures" leased to it by "Patents Company Licensees aforesaid" produced from negatives made on its order, to be excluded).

9. It is mutually covenanted and agreed by and between the parties hereto that by "net profit," as used in the last preceding paragraph, is meant moneys remaining after deducting from the gross earnings and income of the party of the second part from "Licensed Motion Pictures" and "Licensed Projecting Machines" and from all other sources, all operating expenses connected with the business of the party of the second part.

10. It is mutually covenanted and agreed by and between the parties hereto that the yearly payments out of the balance of net profit provided for in paragraph hereof numbered 8 may, at the option of the party of the second part, be made wholly or partly by promissory notes of the party of the second part bearing interest at the rate of six (6) per cent. per annum and each payable at a date not later than three years from the date on which the payment for which it is issued is due; provided, however, (a) that if, in any year it should make payments in this manner to the party of the first part, it shall for that year make payments in like manner to all of the "Patents Company Licensees aforesaid" from whom it may have leased "Licensed Motion Pictures" during that year and who may be entitled to share in the balance of net profit of that year provided for in paragraph hereof numbered 8; (b) that if in any year it should make such payments partly in cash and partly in promissory notes the cash shall be apportioned among the several "Patents Company Licensees aforesaid" according to the number of running feet of "Licensed Motion Pictures" leased by each during that year to the party of the second part, relatively to the total amount of

running feet leased by all to the party of the second part during that year, and the notes shall be apportioned in like manner; and (c) that all notes issued by it in each year to the several "Patents Company Licensees aforesaid" in full or partial payment as aforesaid shall be alike as to form, date, rate of interest, duration and place of payment; shall be paid by it without preference to one payee over another; shall be fully paid by it before any cash payments are made by it in subsequent years to "Patents Company Licensees aforesaid" on account of their share as aforesaid of the balance of net profit for such years; shall be paid before any payment is made on the notes issued in such subsequent years to "Patents Company Licensees aforesaid" on account of such share of the balance of net profit; and shall share pro rata, according to their respective face values, in any money to be used by it for making partial payments on such notes.

11. It is further mutually covenanted and agreed by and between the parties hereto that, unless previously terminated as hereinafter provided, this agreement shall continue until August 26, 1919, the date of expiration of letters patent aforesaid No. 707934.

12. It is further mutually covenanted and agreed that if the license to the party of the first part referred to in paragraph hereof numbered 2 be terminated prior to August 26, 1919, the date of expiration of said letters patent No. 707934, or if the license aforesaid to the party of the second part to lease "Licensed Motion Pictures" from the party of the first part and other "Patents Company Licensees aforesaid" be terminated prior to August 26, 1919, the date of the expiration of said letters patent No. 707934, then and in either of such cases this agreement shall at once terminate.

13. It is further mutually covenanted and agreed by and between the parties hereto that if either party should knowingly or through gross neglect or carelessness be guilty of a breach, violation, or non-performance of its covenants, conditions, and stipulations resulting in substantial injury to the other party, and should, for the period of forty (40) days after notice thereof from the other party, persist therein or fail to correct, repair, or remedy the same, then and in such case the party aggrieved may terminate this agreement by giving notice in writing to the guilty party of its intention so to do; it being, however, mutually cove-

nanted and agreed by and between the parties hereto that if the guilty party should correct, repair, or remedy such breach, violation, or nonperformance of its covenants, conditions, and stipulations within the said period of forty (40) days after such notice, and should thereafter knowingly, or through gross neglect or carelessness be guilty of a second breach, violation, or nonperformance of its covenants, conditions, and stipulations, resulting in substantial injury to the other party, then and in such case the party aggrieved may terminate this agreement by giving thirty (30) days' notice in writing to the guilty party of its intention so to do. Such termination of the agreement, however, shall not prejudice either party hereto in the recovery of damages because of any such breach, violation, or nonperformance by the other party hereto.

14. It is further mutually covenanted and agreed, that in case of the termination of this agreement as provided for in paragraphs hereof numbered 12 and 13, or in case the party of the first part should become bankrupt, then at the end of the year in which either of these events occurs the party of the first part shall be entitled to such a proportion of the balance of net profit for that year, as hereinbefore defined, as the number of running feet of "Licensed Motion Pictures" leased by the party of the second part from it during that year bears to the total amount of running feet of "Licensed Motion Pictures" leased by the party of the second part from all "Patents Company Licensees aforesaid" during that year ("Licensed Motion Pictures" manufactured for or purchased by the party of the second part, as aforesaid, as well as motion pictures leased to it by "Patents Company Licensees aforesaid" produced from negatives made on its order; to be excluded).

15. All notices provided for in this agreement shall be in writing, and shall be given by delivering the same to the party of the first part or the party of the second part, as the case may be, or to an officer of the party of the first part or the party of the second part, as the case may be, or by depositing such notice, postage prepaid, in any post-office of the United States, in a sealed envelope directed to the party of the first part or the party of the second part, as the case may be, at its last known post-office address, to be forwarded by registered mail.

16. It is further mutually covenanted and agreed by and between the parties hereto that any rights hereby granted by one

party to the other are personal to and nonassignable by the latter without the consent in writing of the former.

In witness whereof, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

EDISON MANUFACTURING COMPANY,

By Frank L. Dyer,
Vice-President.

In the presence of:

J. J. Kennedy,

Wm. Pelzer.

67, 68, 69, 70, 71, 72, 73, 74, 75.

The nine additional agreements between
 Biograph Company,
 Essanay Film Manufacturing Company,
 Kalem Company, Inc.,
 Lubin Manufacturing Company,
 Selig Polyscope Company,
 Vitagraph Company of America,
 George Kleine,
 Gaston Melies,
 Pathe Freres, and the
 General Film Company,
 all dated the 21st day of April, 1910,
 are identical in terms with the foregoing agreement
 between
 Edison Manufacturing Company
 and
 said General Film Company, ante, p. 436

except that the minimum quantity of film to be taken
 by the General Film Company varies with the number
 of releases of film by the several manufacturers.

76.

Agreement between
Motion Picture Patents Company,
Edison Company
and
Eastman Kodak Company,
all dated the 14th day of February, 1911.

1. AGREEMENT made this 14th day of February, 1911, by and between MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey and having an office at Jersey City, in said State, party of the first part, (hereinafter referred to as the Patents Company), The Edison Manufacturing Company, a corporation organized and existing under the laws of the State of New Jersey and having an office at Orange, in said State, party of the second part, (hereinafter referred to as the Edison Company), and Eastman Kodak Company, a corporation organized and existing under the laws of the State of New York and having a place of business in the City of Rochester, in said State, party of the third part, (hereinafter referred to as the Eastman Company) ; WITNESSETH:

2. WHEREAS, an agreement in writing was entered into on or about the first day of January, 1909, by and between the parties of the first, second and third parts, respecting, among other things, the sale by the party of the third part, of translucent or transparent sensitized film (having a nitrocellulose base) suitable for the commercial production of negative and positive motion pictures, to licensees of the party of the first part under certain patents owned by it, and to other persons, firms and corporations, which agreement in writing was modified in certain particulars by another agreement in writing entered into by and between the parties hereto of the first and third parts on or about the 15th day of June, 1909; and

3. WHEREAS, the parties hereto of the first, second and third parts are desirous of further modifying the said agreement in writing dated on or about the first day of January, 1909;

4. NOW, the parties hereto of the first and third parts, for valuable and sufficient considerations each to the other moving, do hereby mutually covenant and agree to, and do hereby (with the

consent and approval of the party of the second part) modify said agreement in writing dated on or about the first day of January, 1909, as follows:

By striking out the entire paragraph numbered 14 of said agreement in writing and substituting therefor the following as paragraph 14 :

14. The Eastman Company covenants and agrees that during the continuance of this agreement it will fill all orders for the "Licensed Film" aforesaid (having a nitrocellulose base), received by it from any of the "Patents Company licensees" of an average quality equal to the average quality of such film heretofore supplied by it to its customers, with reasonable diligence and at the prices hereinafter provided for, if it is satisfied that they are and will be able to pay for the same; on condition, however, that if the total amount of sensitized motion picture film suitable for the commercial production of negative and positive motion pictures required by its several customers in the United States and in countries foreign thereto should at any time during the continuance of this agreement, exceed its output of such film, then and in such case each "Patents Company licensee" shall be entitled only to the same proportion of its output of such film that such licensee had of its total output of such film the previous calendar year; and that it will manufacture all such "Licensed Film" (having a nitrocellulose base), by its present secret processes, and will embody therein its present secret compositions and patented invention: Provided, however, that the party of the first part shall not be responsible for damages for any failure to fill all orders of any "Patents Company licensee" for such film in quantities other than such "Patents Company licensee's" proportion of the Eastman Company's output of the same, as defined in this paragraph, or for any failure to fill such orders in quantities required by any such "Patents Company licensee" by circumstances or happenings beyond the control of the Eastman Company. The Eastman Company further covenants and agrees that it will not, after the date hereof, and during the continuance of this agreement, knowingly furnish or sell, in the "territory aforesaid," except for export, as hereinafter provided for, such sensitized film

for the commercial production of negative and positive motion pictures to any one but the "Patents Company licensees," except to the extent of two and one-half ($2\frac{1}{2}$) per cent. of the total amount of such "Licensed Film" supplied to the parties to the license agreements referred to in paragraph 3, and prior to the date, January 1, 1909, and to the "Patents Company licensees" from January 1, 1909, to June 20, 1909, and to said "Patents Company licensees" during any one year, counting from June 20, 1909, of the continuance of this agreement, which amount, of a width approximately one and three-eighths of an inch ($1\frac{3}{8}$ in.), the Eastman Company has furnished prior to the date hereof by and with the authority of the Edison Company, and from the date hereof the Eastman Company (by and with the consent and authority of the Patents Company, which it hereby grants) reserves the right to furnish or supply to persons not engaged in the business of manufacturing, selling, loaning, renting out, or otherwise disposing of or dealing in motion pictures in the "territory aforesaid," and upon which film, hereinafter referred to as "scientific film," the Eastman Company is to collect from the purchaser thereof and pay to the Patents Company a royalty of one-half cent ($\frac{1}{2}$ cent) per running foot on such film sold by it which is paid for by the purchaser thereof, as provided for in paragraph numbered 18 of this agreement; and with the further exception that the Eastman Company (by and with the consent and authority of the Patents Company, which it hereby grants) reserves the right to manufacture and sell such film to persons, firms and corporations now engaged, or who may hereafter be engaged, in the business of manufacturing, selling, loaning, renting out, or otherwise disposing of or dealing in motion pictures in the "territory aforesaid," who are not "Patents Company licensees," which persons, firms and corporations will be hereinafter referred to as "non-licensed manufacturers aforesaid"; and to others, i. e., persons, firms and corporations who sell such film unexposed to "non-licensed manufacturers aforesaid" in the "territory aforesaid"; but such film so sold to "non-licensed manufacturers aforesaid" or to others who sell the same to them shall not be considered as licensed by the Patents Company for use in the manu-

facture of motion pictures, nor shall any royalty be charged, collected or accounted therefor by the Eastman Company; that the Eastman Company shall, during the continuance of this agreement, from the.....first.....day of..... June....., 1911, give to the "Patents Company licensees" (who have made or who may make an agreement with it, the same in all substantial respects as the one hereto annexed marked "Schedule A" and during the continuance of the same), a discount of five per cent. (5%) off the prices provided for in paragraph numbered 16 of this agreement (exclusive of the royalties referred to therein) which will be hereinafter termed "net prices"; and that it will not sell or knowingly permit others to sell such film of its manufacture to the "non-licensed manufacturers aforesaid" at less than the "net prices" to the "Patents Company licensees" aforesaid, plus one-half ($\frac{1}{2}$) cent per running foot of such film; except to such "non-licensed manufacturers aforesaid" who had, prior to January 1st, 1909, an established place of business of manufacturing motion pictures in any country foreign to the United States (hereinafter, for brevity, called "foreign manufacturers") who now manufacture negative or positive motion pictures in the United States, or who, after January 1st, 1909, commence the manufacture of negative or positive motion pictures in the United States, the prices to whom shall not be less than said "net prices," and without the addition thereto of one-half ($\frac{1}{2}$) cent per running foot of such film; but the Eastman Company may reduce these "net prices" to the "Patents Company licensees," if it should consider it commercially desirable to do so, and, if it does so, it may make the same reduction to said "non-licensed manufacturers aforesaid."

6. By striking out in paragraph numbered 18 of said agreement, from lines 29 to 39, the following:

"And on each sale of said other film which is not to exceed approximately one (1) inch in width, as provided for in paragraph 14, the Eastman Company shall include in the price charged for such film to the purchaser thereof, a royalty amounting to such proportion of one-half ($\frac{1}{2}$) cent per running foot as the width of such film bears to the film approximately one and three-eighths of an inch ($1\frac{3}{8}$ in.) in width, and which

royalty the Eastman Company is to pay to the Patents Company on such film sold by it which is paid for by the purchaser thereof";

7. By inserting in paragraph 20 of said agreement, after the words "other film," in lines 3 and 4 thereof, the words:

"hereinbefore referred to as 'scientific film.'"

By striking out the "," and the parenthesis and parenthetical clause following it, in lines 5 to 10 of said paragraph 20.

By striking out the words, "with the exceptions aforesaid," in line 18 of said paragraph 20, and inserting in lieu thereof the words:—

"hereinbefore referred to as 'scientific film.'"

8. By striking out, in paragraph 21 of said agreement, the words, "other film (with the exceptions hereinbefore provided for)," in lines 11 and 12 thereof, and inserting in lieu thereof the words, "scientific film."

9. That said above mentioned agreement entered into on or about the first day of January, 1909, as modified by the said agreement in writing entered into on or about the 15th day of June, 1909, and as altered and modified by this agreement, shall continue in full force and effect.

10. That the covenants and agreements herein contained shall bind and inure to the benefit of the Patents Company, its successors, assigns and legal representatives, and the Eastman Company, and its successors as defined in paragraph 10 of said agreement dated on or about January 1, 1909.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENTS COMPANY,

By Frank L. Dyer,

President.

Attest:

Wm. Pelzer,

Secretary.

EDISON MANUFACTURING COMPANY,

By Frank L. Dyer,

Vice-President.

Witness:

Wm. Pelzer.

EASTMAN KODAK COMPANY,

By Geo. Eastman,

President.

Witness :

M. B. Philipp.

SCHEDULE A.

THIS AGREEMENT, made and entered into this day of
 , 1911, between EASTMAN KODAK COMPANY, a New
York corporation having a place of business in the City of Rochester,
in said State, (hereinafter called the Vendor), and
 (hereinafter called the Vendee), WIT-
NESSETH:

1. The Vendor, in consideration of the covenants and agreements hereinafter entered into by the Vendee, covenants and agrees as follows:

1a. To supply the Vendee with sensitized motion picture film, both positive and negative, having a nitrocellulose base, and of an average quality equal to the average quality of such film heretofore supplied by it to its customers, in such quantities as the Vendee may require for the manufacture of positive and negative motion pictures for the Vendee's business in the same in the United States, its territories, possessions and dependencies; on condition, however, that if the total amount of sensitized motion picture film suitable for the commercial production of positive and negative motion pictures required by its several customers therefor in the United States and in countries foreign thereto, should at any time exceed its output of such film, then, in such case, the Vendee shall be entitled only to the same proportion of its output of such sensitized motion picture film, having a nitrocellulose base, as said Vendee had of its total output of sensitized motion picture film the previous calendar year.

1b. To supply such sensitized motion picture film having a nitrocellulose base to the Vendee for the purpose aforesaid in the usual motion picture width, namely, approximately thirty-five (35) millimetres, or one and three-eighths of an inch ($1\frac{3}{8}$ in.) and unperforated, f. o. b. at said Rochester, New York, at the price of three (3) cents per running foot, with a discount of five per cent. (5%) off (plus the patent royalty of the Motion Picture Patents Company that may be collected by the Vendor for such Company if and so

long as the Vendor is to collect the same for such Company). All such film to be in standard motion picture lengths of two hundred feet and four hundred feet, or sixty metres and one hundred and twenty metres, except that the Vendor reserves the right to supply such film in shorter lengths of one hundred feet or over or thirty metres or over, to the extent of five per cent. (5%) and no more of the total amount of such film supplied to the Vendee.

1c. Not to supply its sensitized motion picture film having a nitrocellulose base, unperforated, and approximately thirty-five (35) millimetres in width; in countries foreign to the United States, at less than the following prices f. o. b. at the following places; Great Britain, one and forty-five one-hundredths (1 45-100) pence per running foot; France, fifty (50) centimes per running metre; Italy, fifty (50) centesimi per running metre; the German Empire, forty (40) pfennigs per running metre, and f. o. b. in other foreign countries for as near similar prices as practicable in the currency of such other foreign countries; with a discount of five per cent. (5%) off such prices; and not to supply sensitized motion picture film having a nitrocellulose base, perforated and approximately thirty-five (35) millimetres in width, in countries foreign to the United States, at less than said prices for unperforated film, plus one-fourth ($\frac{1}{4}$ th) cent per running foot, or the equivalent thereof as near as practicable in the currency of such foreign countries, with said discount of five per cent. (5%) off of such prices.

1d. Not to supply sensitized motion picture film having a nitrocellulose base to any person, firm or corporation for the manufacture of positive, and negative motion pictures in the United States, its territories, possessions or dependencies for less prices (exclusive of the patent royalty aforesaid) than those charged during the same time to the Vendee.

2. The Vendee, in consideration of the covenants and agreements hereinbefore and hereinafter entered into by the Vendor, covenants and agrees as follows:

2a. To purchase from the Vendor all sensitized motion picture film, both positive and negative, required or used in the Vendee's business.

2b. To pay for all sensitized motion picture film supplied by the Vendor on delivery of the same, or in such manner as may from time to time be required by the Vendor.

2c. Not to manufacture or sell or be interested, directly or indirectly, in the manufacture or sale of, in the United States (except as hereinafter provided for in paragraph 3f), any motion picture film, whether sensitized or not, nor export from the United States any such film, unless it has motion pictures developed thereon (except sensitized negative film for the use of the Vendee's own operators) nor import into nor sell or otherwise dispose of in the United States any such film unless it has motion pictures developed thereon.

3. It is mutually covenanted and agreed by and between the Vendor and the Vendee as follows:

3a. That the Vendor shall not be responsible for damages for any failure to supply sensitized motion picture film having a nitrocellulose base, to the Vendee in quantities required by the Vendee in the Vendee's aforesaid business, other than the said Vendee's proportion of the Vendor's output of sensitized motion picture film as defined in paragraph numbered 1a of this agreement, or for any failure to supply such film, having a nitrocellulose base, in quantities required by the Vendee in the Vendee's aforesaid business, by circumstances or happenings beyond the control of the Vendor.

3b. That in case the Vendor fails and continues to fail for a period of twenty (20) days to supply its sensitized motion picture film, having a nitrocellulose base, in the quantities required by the Vendee for the Vendee's aforesaid business, then the Vendee may purchase such film from other manufacturers to complete the Vendee's immediate requirements, month by month only, until such time as the Vendor can supply said film. If, however, the Vendor should fail for a continuous period of one hundred and twenty (120) days to furnish its said film to the Vendee in the quantities required by the Vendee for the Vendee's aforesaid business (provided such quantities do not exceed 25 per cent. more than the Vendee has received from the Vendor during a similar period immediately preceding said one hundred and twenty (120) days, then the Vendee shall have the right to terminate this agreement by giving thirty (30) days' notice in writing to the Vendor of its election so to do.

3c. That the Vendor may reduce the prices provided for in paragraphs 1b and 1c, if it should consider it commercially desir-

able to do so, but if the Vendor reduces the prices provided for in paragraph 1b it may make a corresponding reduction in the prices provided for in paragraph 1c, and if it reduces the prices provided for in paragraph 1c it shall make a corresponding reduction of the prices provided for in paragraph 1b, except as provided for in paragraph 3d.

3d. That the Vendor is to have the privilege of selling in countries foreign to the United States such sensitized motion picture film, having a nitrocellulose base, in lengths less than one hundred (100) feet or thirty (30) metres, or such film inferior to the average quality heretofore supplied by it to its customers, for special purposes, at prices below those provided for in paragraph 1c, and without making a corresponding reduction of the prices provided for in paragraph 1b; and the Vendor will supply the Vendee with such film of a shorter length than one hundred (100) feet or thirty (30) metres, or of an inferior quality, upon the same terms and for the same purposes as the Vendor may supply the same at the time to its customers in countries foreign to the United States, plus the patent royalty aforesaid if and so long as the Vendor is to collect the same for the Motion Picture Patents Company aforesaid.

3e. That the Vendee will not use the sensitized motion picture film, having a nitrocellulose base, supplied by the Vendor under this agreement in the production of positive or negative motion pictures (or reproductions commonly known as "duplicates") of the negative or positive motion pictures of any other manufacturer or person, firm or corporation located either in the United States or in any foreign country; and that the Vendor will not knowingly supply such film to persons, firms or corporations for the purpose of using such film in the business of making such reproductions commonly known as "duplicates" of positive or negative motion pictures.

3f. That in case, during the continuance of this agreement, the Vendee desires to use, in the Vendee's business, sensitized motion picture film, either positive or negative, specially prepared for the photography of objects in natural colors, and the Vendor is unable or unwilling to furnish such film to the Vendee upon the request of the Vendee to the Vendor for such film, on terms satisfactory to the Vendee, then the Vendee is to have the right to

manufacture such film or to obtain such film from other manufacturers than the Vendor.

3g. That the Vendee shall, in the business of the Vendee for the United States, use solely, until June 1st, 1911, non-inflammable motion picture film, having a cellulose acetate base, under and in accordance with an agreement in writing entered into by the Vendor and Vendee on or about the 15th day of June, 1909, provided the Vendor supplies the same to the Vendee under said agreement of an average quality equal to the average quality of such film heretofore supplied to the Vendee by the Vendor; that the Vendor will supply such film to the Vendee at the prices provided for in said agreement of June 15th, 1909, with a discount of five per cent. (5%) off such prices (exclusive of the patent royalty aforesaid), on all such film delivered to the Vendee by the Vendor between the date hereof and June 1st, 1911, the price, however, for all such film after June 1st, 1911, to be that provided for in said agreement of June 15th, 1909.

3h. That this agreement is to continue until July 1st, 1912, and thereafter year by year unless either of the parties hereto at least sixty (60) days before the expiration of said original term or of any of said subsequent terms, notifies the other in writing of its election to terminate this agreement, in which case the same shall terminate at the end of the term in which such notice is given.

3i. That all notices provided for in this agreement shall be in writing, and shall be given by delivering the same to the Vendor or the Vendee, as the case may be, or by depositing such notice in any postoffice of the United States, in a sealed envelope, postage prepaid, directed to the Vendor or the Vendee, as the case may be, at the last known postoffice address of said Vendor or Vendee, as the case may be, to be forwarded by registered mail.

3j. That this agreement shall bind and inure to the benefit of the Vendor and its successors and assigns, and shall bind and inure to the benefit of the Vendee and the successors and assigns of the Vendee's said business in the manufacture of motion pictures.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

Witnesses:

77.

1. THIS AGREEMENT made this 14th day of February, 1911, by and between MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Jersey City, in said State, party of the first part (hereinafter referred to as the Patents Company), and EASTMAN KODAK COMPANY, a corporation organized and existing under the laws of the State of New York, and having a place of business in the City of Rochester, in said State, party of the second part (hereinafter referred to as the Eastman Company), WITNESSETH:

2. WHEREAS, an agreement in writing was entered into on or about the 15th day of June, 1909, by and between the parties of the first and second part respecting, among other things, the sale by the party of the second part, of non-inflammable sensitized motion picture film (having a cellulose acetate base instead of a nitrocellulose base) suitable for the commercial production of negative and positive motion pictures, to licensees of the party of the first part under certain patents owned by it and to other persons, firms and corporations; and

3. WHEREAS, the parties hereto of the first and second parts are desirous of altering and modifying said agreement in writing dated on or about June 15th, 1909;

4. NOW the parties hereto of the first and second parts, for valuable and sufficient considerations each to the other moving, do hereby mutually covenant and agree to, and do hereby, alter and modify said agreement in writing dated on or about the 15th day of June, 1909, as follows:

5. By inserting after the word "right," line 19, page 13, the words "up to July 1st, 1912";

By inserting after the word "aforesaid," line 25, page 13, the words "who are not to be, up to July 1st, 1912, deemed 'non-licensed manufacturers,' as hereinafter defined."

By inserting after the word "them," line 26, page 13, the words "up to July 1st, 1912."

By striking out the last five lines of paragraph numbered 13 of said agreement in writing, and substituting therefor the following:

"and with the further express exception that the Eastman Company (by and with the consent and authority of the Patents

Company, which it hereby grants) reserves the right, on and after July 1st, 1912, to manufacture and sell, in the 'territory aforesaid' such non-inflammable sensitized motion picture film of any width to persons, firms and corporations (not 'Patents Company licensees') who may be engaged on July 1st, 1912, or who may after July 1st, 1912, be engaged, in the business of manufacturing, selling, loaning, renting out, dealing in or otherwise disposing of motion pictures in the 'territory aforesaid,' which persons, firms and corporations, including 'foreign manufacturers' and exlicensees aforesaid, will be hereinafter referred to as 'non-licensed manufacturers aforesaid'; and to others, i. e., persons, firms and corporations who sell such film unexposed to 'non-licensed manufacturers aforesaid' in the 'territory aforesaid'; but such film so sold to 'non-licensed manufacturers aforesaid,' or to others who sell the same to them, shall not be considered as licensed by the Patents Company for use in the manufacture of motion pictures, nor shall any royalty be charged, collected or accounted therefor by the Eastman Company; that the Eastman Company will not, on or after July 1st, 1912, sell or knowingly permit others to sell, such film of its manufacture to 'non-licensed manufacturers aforesaid' at less than the prices provided for in paragraph numbered 15 of this agreement (exclusive of the royalties referred to therein), plus one-half ($\frac{1}{2}$) cent per running foot of such film, except to said 'foreign manufacturers,' the prices to whom, prior to and after July 1st, 1912, shall not be less than the prices provided for in said paragraph numbered 15 of this agreement (exclusive of the royalties referred to therein) and without the addition of said one-half ($\frac{1}{2}$) cent per running foot of such film; and the Eastman Company may reduce these prices provided for in paragraph numbered 15 hereof (exclusive of the royalties referred to therein) to the 'Patents Company licensees,' if it should consider it commercially desirable so to do, and, if it does so, it may make the same reduction to said 'non-licensed manufacturers aforesaid.'"

By inserting after the word "shall," line 2, page 18, the words "up to July 1st, 1912, but not thereafter."

By inserting after the word "licensees," line 4, page 20, the words "and to other 'non-licensed manufacturers aforesaid.'"

By inserting after the words "foreign manufacturers," line 15, page 20, the words "and other 'non-licensed manufactures aforesaid.'"

By inserting after "manufacturers," line 13, page 21, the words "and other 'non-licensed manufacturers aforesaid.'"

By inserting after the word "manufacturers," line 4, page 22, the words "and other 'non-licensed manufacturers aforesaid.'"

By striking out the entire paragraph numbered 27, and substituting therefor the following as paragraph 27:

"27. It is further mutually covenanted and agreed by and between the Patents Company and the Eastman Company that this agreement shall take effect June 20th, 1909, and unless sooner terminated as hereinafter provided shall continue until July 1st, 1912, and thereafter year by year, unless either of said parties, at least sixty (60) days before the expiration of said original term, or of any of said subsequent terms, notifies the other in writing of its election to terminate this agreement, in which case the same shall terminate at the end of the term in which such notice is given."

6. That said above mentioned agreement entered into on or about the 15th day of June, 1909, as altered and modified by this agreement, shall continue in full force and effect.

7. That the covenants and agreements herein contained shall bind and inure to the benefit of the Patents Company, its successors, assigns and legal representatives, and the Eastman Company and its successors as defined in paragraph 10 of said agreement in writing dated on or about June 15th, 1909.

IN WITNESS WHEREOF the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENTS COMPANY,

By Frank L. Dyer,
President.

Attest:

Wm. Pelzer,
Secretary.

EASTMAN KODAK COMPANY,

By Geo. Eastman,
Treasurer.

Witness:

M. B. Philipp.

78.

1. THIS AGREEMENT, made this 14th day of February, 1911, by and between MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Jersey City, in said State, party of the first part, (hereinafter referred to as the Licensor); the EDISON MANUFACTURING COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Orange, in said State, party of the second part, (hereinafter referred to as the Edison Company), and BIOGRAPH COMPANY of New York City, N. Y., party of the third part, (hereinafter referred to as the Licensee), WITNESSETH:

2. WHEREAS, an agreement in writing was entered into on the 18th day of December, 1908, by and between the Licensor, the Edison Company and the Licensee; and

3. WHEREAS, the Licensor, the Edison Company and the Licensee desire to modify and alter said agreement of December 18, 1908, in certain particulars:

NOW THIS AGREEMENT WITNESSETH:

4. The Licensor, the Edison Company and the Licensee, for valuable and sufficient considerations, each to the other moving, do hereby mutually covenant and agree to, and do hereby, modify and alter said agreement of December 18, 1908, as follows:

5. By cancelling, and they do hereby cancel, the second clause of paragraph numbered 4 of said agreement of December 18, 1908, and do hereby substitute therefor the following:

"The Licensor further covenants and agrees that it will, in an agreement in writing with each manufacturer of 'Licensed Film,' obligate such manufacturer, so long as the latter has the exclusive right to make and sell such 'Licensed Film,' not to knowingly furnish or sell, in the 'territory aforesaid,' except 'for export,' sensitized film, suitable for the commercial production of negative and positive motion pictures, to any one but the Licensee, and the additional licensees hereinafter provided for, except to the extent of 21% of the total amount of such 'Licensed Film' supplied by such manufacturer to the parties to the license agreements referred to in paragraph (c) during the year preceding June 20, 1909, and to the Licensee and the additional licensees hereinafter provided for, during

any one year thereafter during the continuance of such agreement, which amount such manufacturer shall have the right to furnish or sell, in the 'territory aforesaid,' to persons not engaged in the business of manufacturing, leasing, selling, loaning, renting out, or otherwise disposing of or dealing in motion pictures in the 'territory aforesaid'; and with the further exception that such manufacturer may also reserve the right to manufacture and sell sensitized film, having a cellulose acetate base, known as non-inflammable film, suitable for the commercial production of negative and positive motion pictures, of a width not to exceed approximately one (1) inch, in the 'territory aforesaid,' to persons, firms and corporations (who are not to be up to July 1, 1912, deemed 'non-licensed manufacturers' as hereinafter defined) engaged in the business of manufacturing, leasing, selling, loaning, renting out or otherwise disposing of or dealing in motion pictures in the 'territory aforesaid,' but upon the condition that in case any of them produces thereon any picture greater in size than approximately three-quarters ($\frac{3}{4}$) of an inch on a line either parallel to or at right angles to the edge of such film, and such manufacturer has knowledge thereof, such manufacturer will cease supplying such film to any person, firm or corporation so doing; and with the further exception that such manufacturer may also reserve the right to manufacture and sell in the 'territory aforesaid' such non-inflammable film suitable for the commercial production of negative and positive motion pictures of any width, to persons, firms and corporations who had, prior to January 1st, 1909, an established place of business of manufacturing motion pictures in any country foreign to the United States (hereinafter, for brevity, called 'foreign manufacturers') who January 1st, 1909, manufactured negative or positive motion pictures in the United States, or who may after January 1st, 1909, commence the manufacture of negative or positive motion pictures in the United States; and with the further exception that such manufacturer may also reserve the right to manufacture and sell in the 'territory aforesaid' sensitized film, having a nitrocellulose base, suitable for the commercial production of negative and positive motion pictures of any width, up to July 1st, 1912, and on and after July 1st, 1912, such sensitized motion picture film having either nitrocellulose base,

or a cellulose acetate base of any width, to persons, firms and corporations not licensed by the Patents Company under its aforesaid United States letters patent (which persons, firms and corporations, including such 'foreign manufacturers,' will be hereinafter referred to as 'non-licensed manufacturers aforesaid'), engaged in the business of manufacturing, leasing, selling, loaning, renting out, or otherwise disposing of or dealing in motion pictures in the 'territory aforesaid'; and to others, i. e., persons, firms and corporations who sell such film, unexposed, to 'non-licensed manufacturers aforesaid'; but such motion picture film, so sold by such manufacturer to such 'non-licensed manufacturers aforesaid,' including such 'foreign manufacturers' aforesaid, or to others who sell the same to them, shall not be considered as 'Licensed Film,' nor shall any royalty be charged, collected or accounted therefor by such manufacturer."

6. That as hereby modified and altered, the said agreement of December 18, 1908, shall remain in force and effect, in the same manner as if the clause herein and hereby substituted for the second clause in said paragraph numbered 4 of said agreement of December 18, 1908, was in said agreement as originally executed.

IN WITNESS WHEREOF, the parties hereto have executed this agreement, the day and year first above written.

BIOGRAPH COMPANY.

By J. J. Kennedy,
President.

Witness:

Wm. Pelzer.

79, 80, 81, 82, 83, 84, 85, 86, 87.

The nine additional agreements between
Motion Picture Patents Company
and
Edison Manufacturing Company,
and between
Motion Picture Patents Company,
Edison Manufacturing Company,
and
Essanay Film Manufacturing Company,
Kalem Company, Inc.,
Lubin Manufacturing Company,
Selig Polyscope Company,
Vitagraph Company of America,
George Kleine,
Pathe Freres,
and
Gaston Melies,

all dated the 14th day of February, 1911, are identical in terms with the foregoing agreement between Motion Picture Patents Company and Edison Manufacturing Company and Biograph Company, ante, p. 457.

88.

Exchange Bulletin—No. 33.

MOTION PICTURE PATENTS COMPANY

80 FIFTH AVENUE

NEW YORK CITY

September 13th, 1911.

Pursuant to Paragraph 20 of your License Agreement, you are hereby notified that the conditions of your License have been changed, by the cancellation of Paragraph 3 thereof and the substitution therefor of the following:

"3" "The Licensee shall not sell nor exhibit licensed motion pictures obtained from any Licensed Manufacturer or Importer, either in the United States or elsewhere, but shall only sub-let such licensed motion pictures and only to exhibitors who shall exclusively exhibit licensed motion pictures, but in no case shall the exhibitor be permitted to sell or sub-let or otherwise dispose of said licensed motion pictures."

This change in the conditions of your License Agreement will become effective on the First day of October, 1911.

MOTION PICTURE PATENTS COMPANY,

By H. N. MARVIN,

Vice-President.

89.

LICENSE AGREEMENT.

1. THIS AGREEMENT, made this 6th day of June, 1912, by and between MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Orange, in said State, party of the first part (hereinafter referred to as the Licensor), and BIOGRAPH COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at New York City, party of the second part, (hereinafter referred to as the Licensee), WITNESSETH THAT:—

2. WHEREAS, the Licensor represents that it is organized to own, deal in and grant licenses under Letters Patent pertaining to the motion picture art, and that it is the owner of all the right, title and interest in and to the following United States Letters Patent, all relating to improvements in the motion picture art:

No. 578,185, dated March 2, 1897, for Vitascope, granted to Thomas Armat;

No. 580,749, dated April 13, 1897, for Vitascope, granted to Thomas Armat;

No. 586,953, dated July 20, 1897, for Phantoscope, granted to Charles F. Jenkins and Thomas Armat;

No. 588,916, dated August 24, 1897, for Kinetoscope, granted to Charles M. Campbell as the assignee of Willard G. Stewart and Ellis F. Frost;

No. 629,063, dated July 18, 1899, for Kinetoscopic Camera, granted to American Mutoscope Company as the assignee of Herman Casler;

No. 673,329, dated April 30, 1901, for Kinetoscope, granted to The American Vitagraph Company as the assignee of Albert E. Smith;

No. 673,992, dated May 14, 1901, for Vitascope, granted to Thomas Armat;

No. 707,934, dated August 26, 1902, for Projecting Kinetoscope, granted E. & H. T. Anthony & Co. as assignee of Woodville Latham;

No. 722,382, dated March 10, 1903, for Animated Picture Apparatus, granted to American Mutoscope & Biograph Company as the assignee of John A. Pross;

No. 744,251, dated November 17, 1903, for Kinetoscope, granted Albert E. Smith;

No. 12,192, dated January 12, 1904, for Kinetoscopic Film, granted to Thomas A. Edison, the same being based on letters patent numbered 589,168, dated August 31, 1897;

No. 770,937, dated September 27, 1904, for Kinetoscope, granted the Vitagraph Company of America as the assignee of Albert E. Smith;

No. 771,280, dated October 4, 1904, for Winding-Reel, granted Albert E. Smith;

No. 785,205, dated March 21, 1905, for Flame-Shield for Kinetoscopes, granted The Vitagraph Company of America as the assignee of William Ellwood;

No. 785,237, dated March 21, 1905, for Film-Holder for Kinetoscopes, granted The Vitagraph Company of America as the assignee of Albert E. Smith; and

No. 13,329, dated December 5, 1911, for Kinetoscope, granted to the Licensor as assignee, by mesne assignments of Thomas A. Edison, the same being also a reissue of letters patent No. 589,168, aforesaid, and for the invention set forth in a previous reissue thereof numbered 12,037, dated September 30, 1902;

and that there are no licenses, shop rights or other rights outstanding, to any person, firm or corporation engaged in the business of manufacturing and selling or leasing motion pictures, to manufacture and sell or lease to others motion pictures embodying the inventions of said reissued letters patent No. 12,192, or to manufacture or use in carrying on such business cameras embodying the inventions of said reissued letters patent No. 13,329 and said letters patent Nos. 629,063 and 707,934, except to the General Film Company, a Maine corporation, granted on or about April 21, 1910, of which the Licensee has knowledge, and except as follows:

2a. A certain license granted under said reissued letters patent Nos. 12,037 and 12,192, by the Edison Manufacturing Company, of Orange, New Jersey (predecessor in business of Thomas A. Edison, Incorporated, a corporation of New Jersey, of Orange, New Jersey, said Thomas A. Edison, Incorporated, being hereinafter referred to as the Edison Company) to Pathe Freres, of New York, under an agreement in writing between it and the latter, dated May 20, 1908, and taking effect June 20, 1908, and certain other licenses

granted, under said reissued letters patent, by said Edison Manufacturing Company to the Kalem Company, of New York; the Essanay Company, of Chicago; Siegmund Lubin, of Philadelphia; Gaston Melies, of New York (for himself and as attorney for George Melies, of Paris, France); Selig Polyscope Company, of Chicago, and the Vitagraph Company of America, of New York, under agreements in writing between said Edison Manufacturing Company and said several licensees, dated January 31, 1908; and

2b. Certain licenses granted, under said reissued letters patent Nos. 12,037 and 12,192, and said letters patent Nos. 629,063 and 707,934, by the Licensor, to Edison Manufacturing Company aforesaid (predecessor of the Edison Company aforesaid), Biograph Company, of New Jersey; Essanay Film Manufacturing Company, of Illinois; Kalem Company aforesaid, Siegmund Lubin aforesaid (succeeded by Lubin Manufacturing Company, of Pennsylvania); Pathe Freres aforesaid, Selig Polyscope Company aforesaid, and Vitagraph Company of America aforesaid, under agreements in writing between the Licensor and said several licensees dated December 18, 1908, at which time a certain license was also granted by the Licensor, under said reissued letters patent No. 12,192, to George Kleine, of Chicago, which, however, did not include the right to manufacture negative motion pictures nor the right to manufacture or use such cameras as aforesaid, and also a license to Gaston Melies (for himself and as attorney for George Melies, of Paris, France), dated July 20, 1909; and

3. WHEREAS, the operation of the said license agreements referred to in paragraph 2a of this agreement (except that to which George Melies was a party) was suspended by the parties thereto; and

4. WHEREAS, the Licensor and the Licensee are desirous of terminating the license agreement, between the Licensor and the Licensee, referred to in paragraph 2b, together with any and all agreements modifying the same; and

5. WHEREAS, the Licensee is engaged in the manufacture, sale and leasing of motion pictures, including the printing of positive motion pictures from negative motion pictures of the Licensee's own production, and, relying upon the aforesaid representations of the Licensor and induced thereby, desires to obtain from the Licensor a license under said two reissued Letters Patent num-

bered 13,329 and 12,192, and Letters Patent Nos. 629,063 and 707,934, and to lease positive motion pictures for use in exhibiting or projecting machines containing the inventions, or any of them described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and to sell or lease positive motion pictures on film of a width approximately (1) inch or less in certain territory and on film of any width in certain territory:

6. NOW THEREFORE the parties hereto, for and in consideration of the sum of One Dollar to each in hand paid by the other, and for other good and valuable considerations from each to the other moving, receipt of all of which is hereby acknowledged, have agreed as follows:

7. The Licensor hereby grants to the Licensee, for the term and subject to the covenants, conditions and stipulations hereinafter expressed, the right and license under said reissued Letters Patent No. 13,329 and Letters Patent Nos. 629,063 and 707,934, for the United States, its territories, dependencies and possessions (hereinafter called the "territory aforesaid") to manufacture and use such a number of cameras embodying the inventions of said reissued Letters Patent No. 13,329 and Letters Patent Nos. 629,063 and 707,934, as may be necessary for the proper conduct of the Licensee's business, and to manufacture, print and produce positive motion pictures embodying the inventions of said reissued Letters Patent No. 12,192, and to lease the same in the United States, its territories, dependencies and possessions, (with the exceptions of its insular possessions and Alaska), hereinafter referred to as the "lease territory aforesaid," on film of a greater width than approximately one (1) inch, upon condition that they be used solely in exhibiting or projecting machines containing the inventions or some of them of said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and licensed by the Licensor, and to sell or lease positive motion pictures embodying the invention of said reissued Letters Patent No. 12,192, on film of a width approximately one (1) inch or less in the "lease territory aforesaid" and on film of any width in or for use in said insular possessions and Alaska and foreign countries, hereinafter referred to as "said export territory"; shipments thereto and sales and leases therefor being hereinafter referred to as "for export."

The license hereby granted is personal to the Licensee and does not include the right to dispose of, in the "territory aforesaid," any cameras embodying any invention covered by said reissued Letters Patent No. 13,329 and Letters Patent Nos. 629,063 and 707,934; and, in the event of the Licensee's permanent discontinuance of business or retirement therefrom for a period of six consecutive months, the License hereby granted shall be immediately terminated.

8. The Licensor, for itself, its successors, assigns and legal representatives, hereby releases, acquits and discharges the Licensee from any and all claims, demands and liability for profits and damages, because of any infringement by the Licensee of any or all of the aforesaid United States Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and reissued Letters Patent Nos. 13,329 and 12,192, or use by the Licensee of the inventions, or any of them, covered by said Letters Patent or either of them prior to the date hereof.

9. The Licensee hereby recognizes and admits the validity of said reissued Letters Patent No. 13,329, and the validity of said reissued Letters Patent No. 12,192 and Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and agrees not to contest or question the same during the continuance of this agreement.

10. The Licensee further covenants and agrees that the Licensee will, within fifteen (15) days after the twentieth (20) day of each month after this agreement takes effect, and during its continuance, submit a statement in writing, signed by the proper officer of the Licensee, and sworn to if requested by the Licensor, showing the total number of running feet of positive motion pictures sold and leased by the Licensee for use in the "territory aforesaid" and sold and leased by the Licensee in or for use in Canada, as well as the total number of running feet of negative motion pictures used by it in the "territory aforesaid" in the production of positive motion pictures sold or leased by the Licensee, during the period from the twentieth (20) day of the preceding calendar month to the twentieth (20) day of the month for which such statement is submitted, and will at the same time pay to the Licensor the royalties due on said amounts of motion pictures according to the minimum

rate of royalty hereinafter provided for, and will, after each year ending June 20, pay to the Licensor the additional royalties due thereon according to the royalty schedule provided for in Paragraph 11. The Licensee further covenants and agrees to keep correct books of account and to permit the Licensor to determine, by examination thereof, at all reasonable times and through any reputable chartered accountants to be selected by the Licensor, the number of running feet of positive motion pictures so leased and sold and negative motion pictures so used by the Licensees while this agreement is in effect, if the Licensor should so desire.

11. The Licensor and the Licensee further mutually covenant and agree that the Licensor shall charge to and receive from the Licensee, and the Licensee shall pay to the Licensor, on all positive motion pictures, on film of a width of approximately one and three-eighths ($1\frac{3}{8}$) inches, leased and sold by the Licensee in the "territory aforesaid" and in Canada, as well as negative motion pictures used (as defined in paragraph 10) by the Licensee, in the "territory aforesaid," royalties not exceeding, during any year counting from June 20, 1912, the following rates, that is to say:

If the total number of running feet of positive motion pictures so leased and sold and negative motion pictures so used by the Licensee shall be four million (4,000,000) running feet or less, a royalty of one-half ($\frac{1}{2}$) a cent per running foot on the total number of running feet so leased, sold and used for that year; if such total number of running feet shall exceed four million (4,000,000) running feet but not exceed six million (6,000,000) running feet, a royalty of four and one-half ($4\frac{1}{2}$) mills per running foot on the total number of running feet so leased, sold and used for that year; if such total number of running feet shall exceed six million (6,000,000) running feet but not exceed eight million (8,000,000) running feet, a royalty of four (4) mills per running foot on the total number of running feet so sold, leased and used for that year; if such total number of running feet shall exceed eight million (8,000,000) running feet but not exceed ten million (10,000,000) running feet, a royalty of three and three-quarter ($3\frac{3}{4}$) mills per running foot on the total number of running feet so leased, sold and used for that year; and if such total number of running feet shall exceed ten million (10,000,000) running feet, a royalty of three and one-quarter ($3\frac{1}{4}$) mills per running foot on the total number of running feet so sold, leased and used for that year.

And for motion pictures on film narrower or wider than approximately one and three-eighths inch ($1\frac{3}{8}$ in.), the above mentioned royalty rates shall be reduced or increased in proportion to the reduction or increase in width of such narrower or wider film below or above the width of approximately one and three-eighths inch ($1\frac{3}{8}$ in.).

The Licensor and Licensee further agree that, in the first instance, as provided in paragraph 10, the Licensee shall pay to the Licensor royalties according to the minimum rate (three and one-quarter ($3\frac{1}{4}$) mills per running foot) aforesaid; that the Licensor shall, after each year ending June 20, adjust, according to the royalty schedule aforesaid, the royalty account of the Licensee as to the total number of running feet so sold, leased and used during such year ending June 20th and on which royalties have been charged and collected by the Licensor and paid by the Licensee during such year; and that the Licensee shall, within twenty (20) days after such adjustment and notice thereof to it by the Licensor, pay to the Licensor the balance of the royalties due by it to the Licensor according to such adjustment.

12. The Licensor and Licensee further mutually covenant and agree that no royalty other than or in addition to that provided for in paragraph 11 shall be charged to or collected from the Licensee by the Licensor under said reissued Letters Patent No. 13,329 and 12,192, and said Letters Patent Nos. 629,063 and 707,934, up to June 20, 1913, or during any renewal of this agreement up to August 31, 1914, the date of the expiration of said reissued Letters Patent Nos. 13,329 and 12,192, and no royalty whatever shall be charged to or collected from the Licensee by the Licensor under said letters patent after either the first, second and third claims of said reissued Letters Patent No. 13,329, and either of the claims of said reissued Letters Patent No. 12,192, in any suit, as hereinafter provided for, for infringement thereof, are held invalid by a court that last hears and decides such suit, or after August 31, 1914, during any renewal of this agreement; and that the Licensor shall charge royalties or rents for the use of all exhibiting or projecting machines capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, containing the inventions, or any of them, described and claimed in the aforesaid Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, licensed by the Li-

censor and that all such royalties or rents shall be collected by the Licensor, directly or indirectly, from the exhibitors using such machines, and shall be fixed by the Licensor and charged to and so collected from such exhibitors by the Licensor at such a rate as to average as nearly as possible a royalty or rental of Two Dollars (\$2.00) per week for each such licensed machine in use.

13. The Licensee further covenants and agrees not to lease, loan, rent out, sell or offer for sale, or otherwise dispose of, in the "territory aforesaid," without the consent in writing of the Licensor, motion pictures to anyone purchasing or otherwise obtaining, leasing, using, loaning, renting out, selling, offering for sale, or otherwise disposing of or dealing in, motion pictures containing the invention of said reissued Letters Patent No. 12,192, not the output of the Licensee or other licensees under said letters patent.

14. The Licensee further covenants and agrees to mark each and every camera which the Licensee may make or use under this agreement embodying the inventions of reissued Letters Patent No. 13,329, and Letters Patent Nos. 629,063 and 707,934, or any of them, with the word "Patented" followed by the dates of grant of all of the said Letters Patent the inventions claimed in which are embodied in the said camera or apparatus, and to photographically print the Licensee's trade-mark on the title of each positive motion picture on film of a greater width than approximately one (1) inch leased by the Licensee in the "lease territory aforesaid," and to mark conspicuously on the labels which shall be placed on boxes or packages containing positive motion pictures on film of a greater width than approximately one (1) inch leased by the Licensee in the "lease territory aforesaid," the following words and figures:

LICENSED MOTION PICTURE.

Manufactured and Leased by and Property of

(Patented in the United States August 31, 1897;
reissued January 12, 1904.)

The enclosed motion picture is leased only and upon the following terms and conditions:

1. That the lessee shall not sell or otherwise dispose of the same outright, but shall have only the right to sub-let or use such motion picture.

2. That the lessee shall permit such motion picture to be exhibited only on motion picture projecting machines licensed by the Motion Picture Patents Company of New Jersey under its patents covering such projecting machines.

3. That the lessee shall not have the right to sub-let such motion picture until such lessee has entered into an agreement in writing with the Motion Picture Patents Company containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect.

4. That the lessee or user thereof shall not make or permit others to make any reproduction commonly known as a "dupe," of such motion picture or any other motion picture containing the inventions of the above reissued patent.

5. That the lessee or user thereof shall not remove the trade-mark or trade name or title therefrom.

6. That the violation of any of the foregoing conditions, including the terms and conditions of the agreement referred to in 3, entitles the lessor to immediate possession of this motion picture without liability for any price which the lessee or the person in whose possession it is found, may have paid therefor.

15. The Licensee further covenants and agrees not to use, without the consent in writing of the Licensor, in the production of negative or positive motion pictures, under this agreement, except as hereinafter provided, the negative or positive motion pictures (or reproductions commonly known as "duplicates" of the negative or positive motion pictures) of any other manufacturer or person, firm or corporation located either in the "territory aforesaid" or in any foreign country, whether the same have or have not been copyrighted in the "territory aforesaid" or in any foreign country; it being agreed between the Licensor and Licensee, however, that the Licensee may use such negative motion pictures for the production of positive motion pictures subject to the following conditions, namely: that such negative motion pictures have not been made in the "territory aforesaid," nor by persons, firms or corporations whose product George Kleine aforesaid may now or hereafter be licensed by the Licensor to import; that no motion pictures therefrom (or from negatives which are substantially copies thereof)

shall have been previously sold, leased or publicly exhibited in the "territory aforesaid" or in Canada; that the exclusive rights thereto and for making prints therefrom for the "territory aforesaid" are purchased from the manufacturer thereof by the Licensee; that the subjects matter thereof are copyrighted in the "territory aforesaid" and the copyrights therefor owned by the Licensee; that the Licensee shall not permit infringements of such copyrights therefor; and that the total number of running feet of new subjects printed from such negatives so purchased shall not exceed ten per cent. (10%) of the Licensee's total releases of new subjects in any year beginning June 20th during the continuance of this agreement.

By the expression "running feet of new subjects" above referred to, and hereafter used, the parties hereto agree, is meant the aggregate amount ascertained by adding together the individual number of running feet of one print of each and every new motion picture on film of a greater width than approximately one (1) inch, regularly listed and offered for lease in the "lease territory aforesaid."

16. The Licensor has established the following scale of minimum prices (which the Licensee admits is a fair and reasonable one) for the lease of positive motion pictures on film of a greater width than approximately one (1) inch in the "lease territory aforesaid," embodying the invention of said reissued Letters Patent No. 12,192:

MOTION PICTURES ON ORDINARY FILM.

List	13 cents per running foot
Standing Order	11 cents per running foot
Topical Pictures	9 cents net per running foot
Films leased between two and four months after release date.....	9 cents per running foot
Films leased between four and six months after release date.....	7 cents net per running foot
Films leased after six months after release date	any price, net.

MOTION PICTURES ON NON-INFLAMMABLE FILM.

List	14 cents per running foot
Standing Order	12 cents per running foot

A rebate of 10 per cent. may be allowed on all of the above prices except on the 9 cent price for Topical Pictures and on the 7 cent price and lower prices which are net; said rebates to be due

and payable between the 1st and 15th days of each of the months of March, May, July, September, November and January, on all motion pictures leased during the two months preceding each said period, provided all the terms and conditions of the agreement referred to in clause (3) of paragraph 24 have been faithfully observed.

The Licensor and Licensee further mutually covenant and agree that the Licensor shall fix and determine the minimum lease prices at which such motion pictures shall be leased by the Licensee in the "lease territory aforesaid," and shall change such scale of minimum prices from time to time as in its judgment market conditions may require; and the Licensee further agrees that any changes which may hereafter be made in said scale of prices, and of which the Licensee shall be notified in writing by the Licensor, shall be accepted and adopted by the Licensee in the place and stead of the scale of prices above given or of any substitute or substitutes therefor adopted prior to such change; each such notice to be given to the Licensee at least three weeks in advance of the change to be made.

17. The Licensor and Licensee further mutually covenant and agree that an order in the "lease territory aforesaid," for one or more such positive motion pictures of each and every new subject made or released by the Licensee (except chrono-photographic subjects and other special subjects that are announced and advertised as special by the Licensee and of which no copy or print is leased by the Licensee for less than list price within two (2) months after release date) when offered for lease in the regular order of business, shall constitute a "standing order" within the meaning of the scale of prices aforesaid or any substitute therefor hereafter adopted, said standing order to remain in force for not less than twenty-one (21) consecutive days; and the parties hereto further mutually covenant and agree that the minimum price at which any additional positive motion pictures shall be leased, in the "lease territory aforesaid," subsequent to the filling of a standing order, shall be fixed by the Licensor, and the latter hereby fixes such price as the same per running foot as the pictures furnished on such standing order, unless otherwise provided for in the scale of prices aforesaid or any substitute therefor hereafter adopted. The Licensee further covenants and agrees that all such positive motion pictures which

may be hereafter leased by it in the "lease territory aforesaid" to persons not having a standing order, as above defined, shall in every case be leased at not less than the list price mentioned in said scale of prices or any substitute therefor hereafter adopted by the Licensor, except as provided for in Paragraph 19 as to "special motion pictures."

18. The Licensor and Licensee further mutually covenant and agree that such positive motion pictures made by or for the Licensee, and not leased or sold prior to June 20, 1912, shall be subject to the scale of prices aforesaid, and shall be leased in the "lease territory aforesaid," at not less than the prices fixed in said scale for positive motion pictures as provided for in Paragraphs 16 and 17.

19. The Licensor and Licensee further mutually covenant and agree that in the case of so-called "special motion pictures" (where it is agreed, by the Licensee, that the negative shall be the exclusive property of the person ordering the same, although remaining in the care and custody of the Licensee, and where positive prints therefrom shall be made from time to time on the order of such person), the price to be paid for the making of such negative and the lease of the first positive print therefrom in the "territory aforesaid" shall be fixed by the Licensor, and it hereby fixes the price at not less than fifty (50) cents per running foot, and the price at which positive prints therefrom, after the first, shall be leased in the "lease territory aforesaid," at not less than fifteen (15) cents per running foot; and it is further agreed by the Licensor and Licensee that the Licensee shall not, without the consent of the Licensor, lease more than five (5) prints of any such negative in any one year.

20. The Licensee further covenants and agrees not to lease such motion pictures in the "lease territory aforesaid," under any circumstances, either directly or indirectly, during the continuance of this agreement, at lower prices than those fixed and established as provided for in Paragraphs 16, 17, 18 and 19.

21. It is further mutually covenanted and agreed by the Licensor and Licensee that the Licensee shall have the right to sell or otherwise dispose of motion pictures in or for "said export territory," and that the prices above referred to in Paragraphs 16, 17, 18 and 19, or any substitute or substitutes for the same hereafter adopted by the Licensor, shall not apply to sales or shipments of motion pictures made *bona fide* for export, when the goods, ad-

dressed to the purchaser, agent or consignee, are delivered to the vessel or to a transportation company for transportation to "said export territory," and not otherwise.

The Licensor and the Licensee further mutually covenant and agree that in no case shall sales or shipments "for export" of motion pictures be knowingly made by the Licensee to persons, firms or corporations who such Licensee has reason to believe will reimport them into the "lease territory aforesaid" for sale or use.

22. The Licensor and the Licensee further mutually covenant and agree that the Licensee shall not sell or otherwise dispose of any negative motion pictures, nor sell or lease or offer for sale or lease, in the "territory aforesaid," at reduced prices, motion pictures, on film of a greater width than approximately one (1) inch, which are second-hand or which have been used or which have become shop-worn or in any way damaged; but this provision shall not prevent the Licensee from selling as refuse in the "territory aforesaid" second-hand positive or negative motion pictures or motion pictures which have been used or become shop-worn or in any way damaged, to a manufacturer to manufacture other articles than motion pictures therefrom, but only after they have been rendered by the Licensee unsuitable for use as motion pictures by cutting or otherwise defacing them; or from selling exposed positive or negative film (either waste or in reels) known as "blank" film for use by dealers, renters or exhibitors for leaders or for spacing or for similar purposes, but which shall not and cannot be otherwise employed for the exhibition of motion pictures.

23. The Licensor and Licensee further mutually covenant and agree that in the "lease territory aforesaid," all leases of positive motion pictures by the Licensee shall be at the prices hereinbefore provided for, without the allowance of any discounts or rebates or other reduction by which a lessee might acquire positive motion pictures at lower prices than those set forth in Paragraphs 16, 17, 18 and 19, or any substitutes therefor hereafter adopted by the Licensor, and that the Licensee will not dispose of such positive motion pictures as premiums, or by lottery, or raffle, or any game of chance, or in any way whereby they may be acquired directly or indirectly for less than the prices set forth in Paragraphs 16, 17, 18 and 19, or substitutes therefor.

The Licensee further covenants and agrees that, in the "lease territory aforesaid," the Licensee will not sell or offer for sale other goods or merchandise at less than current prices in order to induce the lease of positive motion pictures, nor present or donate other goods or merchandise or prizes, or make use of credit cards or trading stamps, or offer any premiums of any kind whatsoever to induce the lease of such positive motion pictures.

24. It is further mutually covenanted and agreed by and between the Licensor and Licensee that no lease of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be made in the "lease territory aforesaid" by the Licensee, except upon and subject to the following terms and conditions, the substance of which (with the exception of the conditions as to the return of positive motion pictures hereinafter referred to) shall be expressed in a printed notice on the labels, as provided for in Paragraph 14, accompanying each positive motion picture, namely, (1) that the lessee of such positive motion picture shall not sell or otherwise dispose of the same outright, but shall only have the right to use such positive motion picture in giving motion picture exhibitions in machines licensed by the Licensor under the said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, or one or more of them, or under any other Letters Patent that it may hereafter acquire or control, or to sub-lease such motion picture for use in such machines; and (2) that the lessee shall not make or permit others to make any reproduction commonly known as a "dupe" of such positive motion picture or any other positive motion picture containing the invention of said reissued Letters Patent No. 12,192; and (3) that the lessee shall not sub-lease the same or any other positive motion picture on film of a greater width than approximately one (1) inch containing the invention of said reissued Letters Patent No. 12,192, for use in giving motion picture exhibitions, until such lessee has entered into an agreement in writing with the Licensor containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect; and (4) that the lessee of such positive motion picture shall not remove the trademark or trade name or title therefrom; and (5) that the lessee shall return to the Licensee (without any payment therefor except the

transportation charges incident to the return of the same) on the first day of every month, beginning with July, 1912, an amount of positive motion pictures (on film of a greater width than approximately one (1) inch) in running feet (not leased by the Licensee over six months before) and of the make of the Licensee equal to ninety (90) per cent. of the amount that was so leased during the seventh month preceding the date of each such return, with the exception, however, that where any such positive motion pictures are destroyed by fire or lost in transportation, and proof satisfactory to the Licensee is furnished as to such destruction or loss, the amount so destroyed or lost shall be deducted from the amount to be returned as aforesaid; and (6) that the violation of any of the foregoing conditions, including the terms and conditions of the agreement referred to in condition 3 above, entitles the lessor to immediate possession of such motion picture without liability for any price which the lessee, or the person in whose possession it is found, may have paid therefor.

The Licensee further covenants and agrees that in the "lease territory aforesaid" the Licensee will not discriminate in favor of any lessee, or place upon any motion pictures any restrictions, other than those specified in this paragraph and Paragraph 14, unless authorized by the Licensor.

25. The Licensee covenants and agrees that in the "lease territory aforesaid" the Licensee will dispose of positive motion pictures, on film of a greater width than approximately one (1) inch, only by the sale "for export" and shipment thereof into "said export territory," or by the lease thereof to others for the purpose only of either sub-leasing the same to persons, firms or corporations using such motion pictures for giving exhibitions thereof in exhibiting or projecting machines licensed by the Licensor containing the inventions or some of them, described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, or in Letters Patent hereafter acquired or controlled by the Licensor, or of using the same in such machines so licensed; and will not use the same for the purpose of giving exhibitions thereof for profit, directly or indirectly; it being expressly understood and agreed by and between the Licensor and Licensee, however, that the Licensee shall be at liberty to give exhibitions of such positive motion pictures without

profit, directly or indirectly, and to possible or prospective lessees or purchasers thereof; and the Licensee further covenants and agrees not to knowingly allow its positive motion pictures, on film of a greater width than approximately one (1) inch, to be leased for use with any exhibiting or projecting machine not licensed by the Licensor under the Letters Patent mentioned in this paragraph, and that it may hereafter acquire or control, or one or more of them, except by and with the consent of the Licensor; and also to refrain from supplying such motion pictures for use with any exhibiting or projecting machine, the license for which, under the aforesaid Letters Patent, or one or more of them, has been terminated, and the Licensee has been notified thereof by the Licensor; and also to refrain from supplying such motion pictures to any lessee who may sublet such motion pictures to persons, firms or corporations using the same for giving exhibitions thereof in exhibiting or projecting machines not licensed by the Licensor as aforesaid, or the license for which has been terminated and the Licensee has been notified by the Licensor that any such lessee continues to so sublet such motion pictures after being notified by the Licensor not to do so; and the Licensor covenants and agrees to promptly notify any such lessee who may so sublet such motion pictures, after it has knowledge of any such subletting, and to notify the Licensee and the additional licensees hereafter provided for, or such of them as may at the time be licensees, of the termination of any license for the use of any exhibiting or projecting machines under the aforesaid Letters Patent, or any of them, and of any such lessee who may so sublet such motion pictures, after being notified by it not to do so, and to compel all such additional licensees to refrain from supplying motion pictures for use with any such exhibiting or projecting machine, the license for which has been so terminated, or to any such lessee.

26. The Licensor and Licensee further mutually covenant and agree that the Licensor shall and will, during the continuance of this agreement, promptly institute suits against any and all infringers of the Letters Patent, or any of them, mentioned in this agreement, on the request of a majority of the licensees, including the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, and will thereafter diligently prosecute any such suit or suits to final hearing and decision; all expense connected with the institution and prosecution of such

suit or suits to be borne by the Licensor, who shall also be entitled to receive and apply to its own use all recoveries had therein for damages and profits.

The Licensor and Licensee further mutually covenant and agree that if, in case any such suit is brought upon said reissued Letters Patent Nos. 13,329, 12,192, or said Letters Patent Nos. 586,953 or 707,934, either of the claims of said reissued Letters Patent No. 12,192 or either of the first, second or third claims of said reissued Letters Patent No. 13,329, or any of the claims in issue in any such suit upon said Letters Patent Nos. 586,953, or 707,934, is or are held invalid by a court that last hears and decides such suit, or should be held by such court not to be infringed, then, and in any such case, the Licensee may at once terminate this agreement and the license thereby granted, by giving notice of its election so to do to the Licensor.

The Licensor and Licensee further mutually covenant and agree that the Licensor may, at its own expense (except as hereinafter provided) during the continuance of this agreement, institute and prosecute suits against any of the several additional licensees hereinafter provided for, for any breach or violation on the part of any such licensee of the covenants respecting prices at which positive motion pictures shall be leased in the "lease territory aforesaid," and also for violation of any of the other terms, conditions or stipulations entered into by such licensee; that the Licensor shall at the end of each year, counting from June 20, 1912, render to the Licensee a statement in writing showing in detail all legal expenses incurred by it during such year in the prosecution of such suit or suits; and that up to, but not exceeding the sum of Twenty Thousand Dollars (\$20,000) for any such year, all such legal expenses, insofar as they may be reasonable and proper, shall be borne and paid by the Licensee and the several additional licensees hereinafter provided for, *pro rata* according to the number of thousand running feet of new subjects offered for lease or sale by each, relatively to the total number of thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale by all, in the "territory aforesaid," during the year preceding the rendition of such statement, any legal expenses in excess of said Twenty Thousand Dollars (\$20,000) during any such year to be borne and paid by the Licensor unless the Licensor and Licensee and the several

additional licensees hereinafter provided for should hereafter mutually agree otherwise.

27. It is mutually covenanted and agreed by and between the Licensor and Licensee that the Licensor may grant other licenses under said reissued Letters Patent Nos. 13,329 and 12,192, and said Letters Patent Nos. 629,063 and 707,934, so far as the use of the inventions thereof in cameras is concerned, said licenses to be in writing and not to exceed nine in number, and to be to the persons and corporations (or their successors in business) mentioned in Paragraph 2*b* as having license agreements with the Licensor (except by a majority vote of the Licensee and the nine other licensees, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid" by such licensees during the year preceding the taking of such vote), and not to be granted or continued upon terms, conditions or stipulations which are in any respect more favorable to the licensees named therein than those set forth in this agreement (except to Pathe Freres and except to the Edison Company, and the latter shall only be more favorable to it in the matter of the payment of royalties to the Licensor), and in the case of the license to George Kleine, it shall be so restricted as to prohibit said Kleine from manufacturing negative motion pictures in "the territory aforesaid," and from manufacturing, from imported negative motion pictures, positive motion pictures, and importing positive motion pictures, in all more than three thousand "running feet of new subjects" per week, except that the Licensor may, in addition thereto, grant him the right to import negative motion pictures of subjects more than one thousand five hundred (1,500) running feet in length and to manufacture positive motion pictures therefrom or have the same manufactured therefrom by the other additional nine licensees; *provided, however, (a)* that if any of such additional nine licenses should be terminated, during the continuance of this agreement, then and in each such case, the Licensor may grant a license in writing to some other motion picture manufacturer (or, in the case of George Kleine, some other importers), but not on terms, conditions or stipulations which are more favorable as to such new licensee than those set forth in this agreement; *(b)* that the Licensor may continue in the Eastman

Kodak Company, a New York Corporation, for the term of said Re-issued Letters Patent No. 13,329, and said Letters Patent Nos. 629,063 and 707,934, the right with which said Eastman Kodak Company is now vested by the Licensor, under said Letters Patent, to use such motion picture cameras as it may desire for its own use, including film testing; and (c) that the Licensor may, if requested so to do by the Licensee, or any of the additional nine (9) licensees aforesaid (except by George Kleine), grant licenses in writing to individuals to use motion picture cameras embodying the inventions of said reissued Letters Patent No. 13,329 and said Letters Patent Nos. 629,063 and 707,934, such cameras to be leased by the Licensee or one of the said additional nine (9) licensees aforesaid (except by George Kleine) by a non-transferable lease in writing in a form to be approved by the Licensor, and such cameras to be used by the individuals so licensed in making negatives which (or copies of which) are to be used by the Licensee or one of the other nine (9) licensees aforesaid (except George Kleine) in the production of positive motion pictures to be leased or sold by the Licensee or one of the other nine (9) licensees (except George Kleine) in the "lease territory aforesaid" or in Canada.

28. It is further mutually covenanted and agreed by and between the Licensor and the Licensee that the Licensor will, during the continuance of this agreement, license such a number of persons, firms or corporations under said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, to make and sell exhibiting or projecting machines containing the inventions described and claimed in the same, capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, and also such machines not capable of exhibiting or projecting motion pictures on film of a greater width than approximately one (1) inch, as will be able to supply the demand for the same; and that it shall not, and it hereby covenants and agrees that it will not, during the continuance of this agreement, license any person, firm or corporation under said Letters Patent or any of them to make or sell any such exhibiting or projecting machine containing any of the inventions described and claimed in said Letters Patent, and capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, except upon the

conditions and restrictions that the sale and purchase of such machine gives only the right to use it solely for exhibiting or projecting motion pictures containing the inventions of said reissued Letters Patent No. 12,192 licensed by the Licensor, while it owns or controls the Letters Patent under which such machine is licensed and upon other terms, to be fixed by the Licensor, while in use and while the Letters Patent under which it is licensed are owned or controlled by the Licensor (which other terms shall only be the payment of a royalty or rental to the Licensor while in use, as hereinbefore provided for), and that there shall be attached to each such machine, in a conspicuous place, a plate, which is not to be removed therefrom, showing plainly, not only the dates of the Letters Patent under which it is licensed, but also the aforesaid conditions or restrictions.

The Licensor further covenants and agrees that it will not charge any such person, firm or corporation manufacturing and selling any such machine capable of exhibiting or projecting motion pictures on a film of a width greater than approximately one (1) inch, more than Five Dollars (\$5.00) as a license fee for the sale of each such exhibiting or projecting machine sold by any such person, firm or corporation.

The Licensor further covenants and agrees that it will not license any person, firm or corporation to make or sell any exhibiting or projecting machine containing any of the inventions described and claimed in the aforesaid Letters Patent which is not capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, except upon the conditions and restrictions that such machines be used solely for exhibiting or projecting motion pictures on film not wider than approximately one (1) inch, in places where no admission fee is charged; and that there shall be attached to each such machine, in a conspicuous place, a plate, which is not to be removed therefrom, showing plainly, not only the dates of the Letters Patent under which it is licensed, but also the aforesaid conditions or restrictions; and that the Licensor will not charge to any person, firm or corporation making or selling any such machine a license fee of more than 5 per cent. of the net retail selling price of each such machine.

The Licensor further covenants and agrees that it will grant a license to the Licensee, upon its request, to manufacture and sell

exhibiting or projecting machines under the Letters Patent referred to, and upon the conditions and restrictions provided for, in this paragraph, except that the Licensee is not to pay any such license fees or royalties, and will not grant licenses thereunder to others on any more favorable terms or conditions than those above provided for, including such license fees or royalties; and will also grant a license to the Licensee to make and sell exhibiting or projecting machines under any other Letters Patent and containing the inventions described and claimed therein that the Licensor may hereafter acquire or control, upon the payment of additional license fees or royalties to be fixed by the Licensor, and subject to similar conditions and restrictions and the placing upon the machines of plates containing such conditions and restrictions as are provided for in this paragraph respecting exhibiting or projecting machines made and sold under the Letters Patent now owned by the Licensor mentioned in this paragraph, and that it will not grant such licenses to others on any more favorable terms or conditions.

It is mutually covenanted and agreed, however, by and between the Licensor and Licensee, that the Licensor shall have the right to grant and that it will grant licenses to persons, firms and corporations upon their request (including the Licensee) to manufacture and sell exhibiting or projecting machines, containing the inventions described and claimed in the aforesaid Letters Patent now owned by the Licensor, capable of exhibiting or projecting, by reflected light, animated pictures on film of any width, but not capable of exhibiting or projecting the same by transmitted light, upon the payment of a royalty or license fee not to exceed 5 per cent. of the net retail selling price of each such machine, and upon the condition that they be used only in places where no admission fee is charged, which condition shall appear on a plate to be attached to each such machine; and also that it will grant licenses to such persons, firms and corporations to manufacture and sell such exhibiting or projecting machines containing the inventions described and claimed in any Letters Patent that the Licensor may hereafter own or control, subject to similar conditions or restrictions and upon the payment of additional license fees or royalties to be fixed by the Licensor; the royalty or license fee, and all the conditions and restrictions of all such licenses, to be the same for the Licensee and such other licensees.

30. It is further mutually covenanted and agreed by and between the Licensor and Licensee that in case the Licensor should be notified by the Licensee or it should otherwise come to its knowledge that any such additional licensee has knowingly or through gross neglect or carelessness broken, violated or failed to perform any of the terms, conditions or stipulations of the license granted by the Licensor resulting in substantial injury to the Licensor, or the Licensee or the additional licensees aforesaid, the Licensor will promptly notify such licensee in writing of such breach, violation or non-performance, and if such licensee should, for a period of forty (40) days after such notice, persist in or fail to correct, repair or remedy the same, the Licensor shall at once terminate the license to such licensee; and that in case any such licensee should be guilty of a second grossly neglectful, careless or knowing breach, violation or non-performance of such terms, conditions or stipulations, resulting in substantial injury to the Licensor, or the Licensee or the additional licensees aforesaid, then, and in such case, the Licensor shall terminate the license to such licensee by giving the latter thirty (30) days' notice in writing of its intention so to do.

31. The Licensor and Licensee further mutually covenant and agree that by the expression "motion pictures" as used in this agreement, is meant transparent or translucent tape-like film having photographs thereon of objects in motion, embodying the inventions in said reissue No. 12,192.

32. It is further mutually covenanted and agreed by and between the Licensor and Licensee that unless sooner terminated, as hereinbefore or hereinafter provided, this agreement and the license granted thereby shall take effect June 20, 1912, and shall continue until June 20th, 1913, but that the Licensee may renew this agreement and license thereafter for another year ending June 20, 1914, upon the same terms, conditions and stipulations as herein provided, by giving notice to the Licensor on or before May 20, 1913, of the Licensee's election to so renew this agreement and license, and upon the giving of such notice this agreement and the license thereby granted shall be considered and treated by the Licensor and Licensee as renewed for one year, ending June 20, 1914, and that the Licensee may again renew this agreement and license, upon the same terms, conditions and stipulations as herein provided, but

only for the period from June 20th, 1914, to August 26th, 1919, the date of expiration of the Letters Patent No. 707,934, by giving notice to the Licensor on or before May 20, 1914, of the Licensee's election to so renew this agreement and license.

33. It is further mutually covenanted and agreed by and between the Licensor and Licensee that if, during said original term or during any such renewal period, either party should knowingly or through gross neglect or carelessness, be guilty of a breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, and should, for the period of forty (40) days after notice thereof from the other party, persist therein or fail to correct, repair or remedy the same, then and in such case the party aggrieved may terminate this agreement by giving notice in writing to the guilty party of its intention so to do. It is, however, mutually covenanted and agreed by and between the Licensor and Licensee that if the guilty party should correct, repair or remedy such breach, violation or non-performance of its covenants, conditions and stipulations within the said period of forty (40) days after such notice, and should, thereafter knowingly or through gross neglect or carelessness be guilty of a second breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, then and in such case, the party aggrieved may terminate this agreement by giving thirty (30) days' notice in writing to the guilty party of its intention so to do. Such termination of the agreement, however, shall not prejudice either party hereto in the recovery of damages because of any such breach, violation or non-performance by the other party hereto.

35. It is further mutually covenanted and agreed by and between the Licensor, the Licensee and the Edison Company, that the agreement between the Licensor, the Licensee and the Edison Manufacturing Company, referred to in paragraph 2b, together with any and all agreements modifying the same, be and the same hereby is terminated as of June 19, 1912.

36. All notices provided for in this agreement shall be in writing and shall be given by delivering the same to the Licensor or Licensee, as the case may be, or to an officer of the Licensor or Licensee, as the case may be, or by depositing such notice, postage prepaid, in any Post-Office of the United States, in a sealed envelope directed

to the Licensor or the Licensee, as the case may be, at its last known Post-office address, to be forwarded by registered mail.

37. It is mutually covenanted and agreed by and between the Licensor and Licensee that after notice of the termination of this agreement and the license granted thereby by either party, as provided for in Paragraphs 26 and 33, and after the same have been terminated, no matter what the cause or manner of termination may be, neither this license agreement, nor the fact that the Licensee has entered into or acted under it, shall be used in any manner, directly or indirectly, by or for the Licensor, its successors, assigns or legal representatives, or by or for others with its or their consent or permission, against the Licensee, or the Licensee's successors or legal representatives, in any litigation, controversy or proceeding involving the Licensee or them or any other persons, firms or corporations, or in any other way; it being understood and agreed that upon such termination the positions and rights of the Licensor and Licensee shall be the same as if this agreement had not been made; *provided, however*, that the rights of neither party shall be prejudiced by such termination in the recovery of damages for any breach or other violation of this agreement by the other occurring prior to such termination.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written; it being noted that it contains no paragraphs numbered 29, 34.

MOTION PICTURE PATENTS COMPANY,

By

.....

President.

Attest:

.....

Secretary.

BIOGRAPH COMPANY,

By

.....

President.

Attest:

.....

Secretary.

90.

LICENSE AGREEMENT

1. THIS AGREEMENT, made this day of June, 1912, by and between MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Orange, in said State, party of the first part (hereinafter referred to as the Licensor), and THOMAS A. EDISON, INCORPORATED, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Orange, in said State (successor in business of Edison Manufacturing Company, a corporation of New Jersey), party of the second part (hereinafter referred to as the Licensee or the Edison Company), WITNESSETH that:

2. WHEREAS, the Licensor represents that it is organized to own, deal in and grant licenses under Letters Patent pertaining to the motion picture art, and that it is the owner of all the right, title and interest in and to the following United States Letters Patent, all relating to improvements in the motion picture art:

No. 578,185, dated March 2, 1897, for Vitascope, granted to Thomas Armat;

No. 580,749, dated April 13, 1897, for Vitascope, granted to Thomas Armat;

No. 586,953, dated July 20, 1897, for Phantoscope, granted to Charles F. Jenkins and Thomas Armat;

No. 588,916, dated August 24, 1897, for Kinetoscope, granted to Charles M. Campbell as the assignee of Willard G. Stewart and Ellis F. Frost;

No. 629,063, dated July 18, 1899, for Kinetoscopic Camera, granted to American Mutoscope Company as the assignee of Herman Casler;

No. 673,329, dated April 30, 1901, for Kinetoscope, granted to The American Vitagraph Company as the assignee of Albert E. Smith;

No. 673,992, dated May 14, 1901, for Vitascope, granted to Thomas Armat;

No. 707,934, dated August 26, 1902, for Projecting Kinetoscope, granted E. & H. T. Anthony & Co. as assignee of Woodville Latham;

No. 722,382, dated March 10, 1903, for Animated Picture Appa-

ratus, granted to American Mutoscope & Biograph Company as the assignee of John A. Pross;

No. 744,251, dated November 17, 1903, for Kinetoscope, granted Albert E. Smith;

No. 12,192, dated January 12, 1904, for Kinetoscopic Film, granted to Thomas A. Edison, the same being based on letters patent numbered 589,168, dated August 31, 1897;

No. 770,937, dated September 27, 1904, for Kinetoscope, granted the Vitagraph Company of America as the assignee of Albert E. Smith;

No. 771,280, dated October 4, 1904, for Winding-Reel, granted Albert E. Smith;

No. 785,205, dated March 21, 1905, for Flame-Shield for Kinetoscopes, granted The Vitagraph Company of America as the assignee of William Ellwood;

No. 785,237, dated March 21, 1905, for Film-Holder for Kinetoscopes, granted The Vitagraph Company of America as the assignee of Albert E. Smith; and

No. 13,329, dated December 5, 1911, for Kinetoscope granted to the Licensor as assignee, by mesne assignments of Thomas A. Edison, the same being also a reissue of letters patent No. 589,168, aforesaid, and for the invention set forth in a previous reissue thereof numbered 12,037, dated September 30, 1902;

and that there are no licenses, shop-rights or other rights outstanding, to any person, firm or corporation engaged in the business of manufacturing and selling or leasing motion pictures, to manufacture and sell or lease to others motion pictures embodying the inventions of said reissued letters patent No. 12,192, or to manufacture or use in carrying on such business cameras embodying the inventions of said reissued letters patent No. 13,329 and said letters patent Nos. 629,063 and 707,934, except to the General Film Company, a Maine corporation, granted on or about April 21, 1910, of which the Licensee has knowledge, and except as follows:

2a. A certain license granted under said reissued letters patent Nos. 12,037 and 12,192, by the Edison Manufacturing Company aforesaid to Pathe Freres, of New York, under an agreement in writing between it and the latter, dated May 20, 1908, and taking effect June 20, 1908, and certain other licenses granted, under said reissued letters patent, by said Edison Manufacturing Company to

the Kalem Company, of New York, the Essanay Company, of Chicago, Siegmund Lubin, of Philadelphia, Gaston Melies, of New York (for himself and as attorney for George Melies, of Paris, France), Selig Polyscope Company of Chicago, and the Vitagraph Company of America, of New York, under agreements in writing between said Edison Manufacturing Company and said several licensees, dated January 31, 1908; and

2*b*. Certain licenses granted, under said reissued letters patent Nos. 12,037 and 12,192, and said letters patent No. 629,063, and 707,934, by the Licensor, to Edison Manufacturing Company aforesaid (predecessor of the Edison Company aforesaid), Biograph Company, of New Jersey, Essanay Film Manufacturing Company, of Illinois; Kalem Company aforesaid, Siegmund Lubin, aforesaid (succeeded by Lubin Manufacturing Company, of Pennsylvania), Pathe Freres aforesaid, Selig Polyscope Company aforesaid, and Vitagraph Company of America aforesaid, under agreements in writing between the Licensor and said several licensees dated December 18, 1908, at which time a certain license was also granted by the Licensor, under said reissued letters patent No. 12,192, to George Kleine, of Chicago, which, however, did not include the right to manufacture negative motion pictures nor the right to manufacture or use such cameras as aforesaid, and also a license to Gaston Melies (for himself and as attorney for George Melies, of Paris, France), dated July 20, 1909; and

3. WHEREAS, the operation of the said license agreements referred to in paragraph 2*a* of this agreement (except that to which George Melies was a party) was suspended by the parties thereto; and

4. WHEREAS, the Licensor and the Licensee are desirous of terminating the license agreement, between the Licensor and the Licensee, referred to in paragraph 2*b*, together with any and all agreements modifying the same; and

5. WHEREAS, the Licensee is engaged in the manufacture, sale and leasing of motion pictures, including the printing of positive motion pictures from negative motion pictures of the Licensee's own production, and, relying upon the aforesaid representations of the Licensor and induced thereby, desires to obtain from the Licensor a license under said two reissued Letters Patent numbered 13,329 and 12,192, and Letters Patent Nos. 629,063 and 707,934, and to lease

positive motion pictures for use in exhibiting or projecting machines containing the inventions, or any of them described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and to sell or lease positive motion pictures on film of a width approximately one (1) inch or less in certain territory and on film of any width in certain territory:

6. NOW THEREFORE, the parties hereto, for and in consideration of the sum of One Dollar to each in hand paid by the other, and for other good and valuable considerations from each to the other moving, receipt of all of which is hereby acknowledged, have agreed as follows:

7. The Licensor hereby grants to the Licensee, for the term and subject to the covenants, conditions and stipulations hereinafter expressed, the right and license under said reissued Letters Patent No. 13,329 and Letters Patent Nos. 629,063 and 707,934, for the United States, its territories, dependencies and possessions (hereinafter called the "territory aforesaid") to manufacture and use such a number of cameras embodying the inventions of said reissued Letters Patent No. 13,329 and Letters Patent Nos. 629,063 and 707,934 as may be necessary for the proper conduct of the Licensee's business, and to manufacture, print and produce positive motion pictures embodying the inventions of said reissued Letters Patent No. 12,192, and to lease the same in the United States, its territories, dependencies and possessions, (with the exceptions of its insular possessions and Alaska), hereinafter referred to as the "lease territory aforesaid," on film of a greater width than approximately one (1) inch, upon condition that they be used solely in exhibiting or projecting machines containing the inventions or some of them of said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and licensed by the Licensor and to sell or lease positive motion pictures embodying the invention of said reissued Letters Patent No. 12,192, on film of a width approximately one (1) inch or less in the "lease territory aforesaid" and on film of any width in or for use in said insular possessions and Alaska and foreign countries, hereinafter referred to as "said export territory"; shipments thereto and sales and leases therefor being hereinafter referred to as "for export."

The license hereby granted is personal to the Licensee and does not include the right to dispose of, in the "territory aforesaid," any cameras embodying any invention covered by said reissued Letters Patent No. 13,329 and Letters Patent Nos. 629,063 and 707,934; and, in the event of the Licensee's permanent discontinuance of business or retirement therefrom for a period of six consecutive months, the License hereby granted shall be immediately terminated.

8. The Licensors, for itself, its successors, assigns and legal representatives, hereby releases, acquits and discharges the Licensee from any and all claims, demands and liability for profits and damages, because of any infringement by the Licensee of any or all of the aforesaid United States Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and reissued Letters Patent Nos. 13,329 and 12,192, or use by the Licensee of the inventions, or any of them, covered by said Letters Patent or either of them prior to the date hereof.

9. The Licensee hereby recognizes and admits the validity of said reissued Letters Patent No. 13,329, and the validity of said reissued Letters Patent No. 12,192, and Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and agrees not to contest or question the same during the continuance of this agreement.

12. The Licensors and Licensee further mutually covenant and agree that no royalty shall be charged to or collected from the Licensee by the Licensors under said reissued Letters Patent Nos. 13,329 and 12,192, and said Letters Patent Nos. 629,063 and 707,934, up to June 20, 1913, or during any renewal of this agreement up to August 31, 1914, the date of the expiration of said reissued Letters Patent Nos. 13,329 and 12,192; and that the Licensors shall charge royalties or rents for the use of all exhibiting or projecting machines capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, containing the inventions, or any of them, described and claimed in the aforesaid Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, licensed by the Licensors and all such royalties or rents shall be collected by the Licensors, directly or indirectly, from the exhibitors

using such machines, and shall be fixed by the Licensor and charged to and so collected from such exhibitors by the Licensor at such a rate as to average as nearly as possible a royalty or rental of Two Dollars (\$2.00) per week for each such licensed machine in use.

13. The Licensee further covenants and agrees not to lease, loan, rent out, sell or offer for sale, or otherwise dispose of, in the "territory aforesaid," without the consent in writing of the Licensor, motion pictures to anyone purchasing or otherwise obtaining, leasing, using, loaning, renting out, selling offering for sale, or otherwise disposing of or dealing in, motion pictures containing the invention of said reissued Letters Patent No. 12,192, not the output of the Licensee or other licensees under said letters patent.

14. The Licensee further covenants and agrees to mark each and every camera which the Licensee may make or use under this agreement embodying the inventions of reissued Letters Patent No. 13,329, and Letters Patent Nos. 629,063 and 707,934, or any of them, with the word "Patented" followed by the dates of grant of all of the said Letters Patent the inventions claimed in which are embodied in the said camera or apparatus, and to photographically print the Licensee's trade mark on the title of each positive motion picture on film of a greater width than approximately one (1) inch leased by the Licensee in the "lease territory aforesaid," and to mark conspicuously on the labels which shall be placed on boxes or packages containing positive motion pictures on film of a greater width than approximately one (1) inch leased by the Licensee in the "lease territory aforesaid," the following words and figures:

LICENSED MOTION PICTURE.

Manufactured and Leased by and Property of

(Patented in the United States August 31, 1897; reissued January 12, 1904).

The enclosed motion picture is leased only and upon the following terms and conditions:—

1. That the lessee shall not sell or otherwise dispose of the same outright, but shall have only the right to sub-let or use such motion picture.

2. That the lessee shall permit such motion picture to be exhibited only on motion picture projecting machines licensed

by the Motion Picture Patents Company of New Jersey under its patents covering such projecting machines.

3. That the lessee shall not have the right to sublet such motion picture until such lessee has entered into an agreement in writing with the Motion Picture Patents Company containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect.

4. That the lessee or user thereof shall not make or permit others to make any reproduction commonly known as a "dupe," of such motion picture or any other motion picture containing the inventions of the above reissued patent.

5. That the lessee or user thereof shall not remove the trade mark or trade name or title therefrom.

6. That the violation of any of the foregoing conditions including the terms and conditions of the agreement referred to in 3, entitles the lessor to immediate possession of this motion picture without liability for any price which the lessee or the person in whose possession it is found, may have paid therefor.

15. The Licensee further covenants and agrees not to use, without the consent in writing of the Licensor, in the production of negative or positive motion pictures, under this agreement, except as hereinafter provided, the negative or positive motion pictures (or reproductions commonly known as "duplicates" of the negative or positive motion pictures) of any other manufacturer or person, firm or corporation located either in the "territory aforesaid" or in any foreign country, whether the same have or have not been copyrighted in the "territory aforesaid" or in any foreign country; it being agreed between the Licensor and Licensee, however, that the Licensee may use such negative motion pictures for the production of positive motion pictures subject to the following conditions, namely: that such negative motion pictures have not been made in the "territory aforesaid," nor by persons, firms or corporations whose product George Kleine aforesaid may now or hereafter be licensed by the Licensor to import; that no motion pictures therefrom (or from negatives which are substantially copies thereof) shall have been previously sold, leased or publicly exhibited in the "territory aforesaid" or in Canada; that the exclusive rights thereto and for making prints

therefrom for the "territory aforesaid" are purchased from the manufacturer thereof by the Licensee; that the subjects matter thereof are copyrighted in the "territory aforesaid" and the copyrights therefor owned by the Licensee; that the Licensee shall not permit infringements of such copyrights therefor; and that the total number of running feet of new subjects printed from such negatives so purchased shall not exceed ten per cent. (10%) of the Licensee's total releases of new subjects in any year beginning June 20th during the continuance of this agreement.

By the expression "running feet of new subjects" above referred to, and hereafter used, the parties hereto agree, is meant the aggregate amount ascertained by adding together the individual number of running feet of one print of each and every new motion picture on film of a greater width than approximately one (1) inch, regularly listed and offered for lease in the "lease territory aforesaid."

16. The Licensor has established the following scale of minimum prices (which the Licensee admits is a fair and reasonable one) for the lease of positive motion pictures on film of a greater width than approximately one (1) inch in the "lease territory aforesaid," embodying the invention of said reissued Letters Patent No. 12,192:

MOTION PICTURES ON ORDINARY FILM.

List	13 cents per running foot
Standing Order	11 cents per running foot
Topical Pictures	9 cents net per running foot
Films leased between two and four months after release date.....	9 cents per running foot
Films leased between four and six months after release date.....	7 cents net per running foot
Films leased after six months after release date	any price, net.

MOTION PICTURES ON NON-INFLAMMABLE FILM.

List	14 cents per running foot
Standing Order	12 cents per running foot

A rebate of 10 per cent. may be allowed on all of the above prices except on the 9 cent price for Topical Pictures and on the 7 cent price and lower prices which are net; said rebates to be due and

payable between the 1st and 15th days of each of the months of March, May, July, September, November and January, on all motion pictures leased during the two months preceding each said period, provided all the terms and conditions of the agreement referred to in clause (3) of Paragraph 24 have been faithfully observed.

The Licensor and Licensee further mutually covenant and agree that the Licensor shall fix and determine the minimum lease prices at which such motion pictures shall be leased by the Licensee in the "lease territory aforesaid," and shall change such scale of minimum prices from time to time as in its judgment market conditions may require; and the Licensee further agrees that any changes which may hereafter be made in said scale of prices, and of which the Licensee shall be notified in writing by the Licensor, shall be accepted and adopted by the Licensee in the place and stead of the scale of prices above given or of any substitute or substitutes therefor adopted prior to such change; each such notice to be given to the Licensee at least three weeks in advance of the change to be made.

17. The Licensor and Licensee further mutually covenant and agree that an order in the "lease territory aforesaid," for one or more such positive motion pictures of each and every new subject made or released by the Licensee (except chrono-photographic subjects and other special subjects that are announced and advertised as special by the Licensee and of which no copy or print is leased by the Licensee for less than list price within two (2) months after release date) when offered for lease in the regular order of business, shall constitute a "standing order" within the meaning of the scale of prices aforesaid or any substitute therefor hereafter adopted, said standing order to remain in force for not less than twenty-one (21) consecutive days; and the parties hereto further mutually covenant and agree that the minimum price at which any additional positive motion pictures shall be leased, in the "lease territory aforesaid," subsequent to the filling of a standing order, shall be fixed by the Licensor, and the latter hereby fixes such price as the same per running foot as the pictures furnished on such standing order, unless otherwise provided for in the scale of prices aforesaid or any substitute therefor hereafter adopted. The Licensee further covenants and agrees that all such positive motion pictures which

may be hereafter leased by it in the "lease territory aforesaid," to persons not having a standing order, as above defined, shall in every case be leased at not less than the list price mentioned in said scale of prices or any substitute therefor hereafter adopted by the Licensor, except as provided for in Paragraph 19 as to "special motion pictures."

18. The Licensor and Licensee further mutually covenant and agree that such positive motion pictures made by or for the Licensee and not leased or sold prior to June 20, 1912, shall be subject to the scale of prices aforesaid, and shall be leased in the "lease territory aforesaid," at not less than the prices fixed in said scale for positive motion pictures as provided for in Paragraphs 16 and 17.

19. The Licensor and Licensee further mutually covenant and agree that in the case of so-called "special motion pictures" (where it is agreed, by the Licensee, that the negative shall be the exclusive property of the person ordering the same, although remaining in the care and custody of the Licensee, and where positive prints therefrom shall be made from time to time on the order of such person), the price to be paid for the making of such negative and the lease of the first positive print therefrom in the "territory aforesaid" shall be fixed by the Licensor, and it hereby fixes the price at not less than fifty (50) cents per running foot, and the price at which positive prints therefrom, after the first, shall be leased in the "lease territory aforesaid," at not less than fifteen (15) cents per running foot; and it is further agreed by the Licensor and Licensee that the Licensee shall not, without the consent of the Licensor, lease more than five (5) prints of any such negative in any one year.

20. The Licensee further covenants and agrees not to lease such motion pictures in the "lease territory aforesaid," under any circumstances, either directly or indirectly, during the continuance of this agreement, at lower prices than those fixed and established as provided for in Paragraphs 16, 17, 18 and 19.

21. It is further mutually covenanted and agreed by the Licensor and Licensee that the Licensee shall have the right to sell or otherwise dispose of motion pictures in or for "said export territory," and that the prices above referred to in Paragraphs 16, 17, 18 and 19, or any substitute or substitutes for the same hereafter adopted by the Licensor, shall not apply to sales or shipments of

motion pictures made *bona fide* for export, when the goods, addressed to the purchaser, agent or consignee, are delivered to the vessel or to a transportation company for transportation to "said export territory," and not otherwise.

The Licensor and the Licensee further mutually covenant and agree that in no case shall sales or shipments "for export" of motion pictures be knowingly made by the Licensee to persons, firms or corporations who such Licensee has reason to believe will reimport them into the "lease territory aforesaid" for sale or use.

22. The Licensor and the Licensee further mutually covenant and agree that the Licensee shall not sell or otherwise dispose of any negative motion pictures, nor sell or lease or offer for sale or lease, in the "territory aforesaid," at reduced prices, motion pictures, on film of a greater width than approximately one (1) inch, which are second-hand or which have been used or which have become shop-worn or in any way damaged; but this provision shall not prevent the Licensee from selling as refuse in the "territory aforesaid" second-hand positive or negative motion pictures or motion pictures which have been used or become shop-worn or in any way damaged, to a manufacturer to manufacture other articles than motion pictures therefrom, but only after they have been rendered by the Licensee unsuitable for use as motion pictures by cutting or otherwise defacing them; or from selling exposed positive or negative film (either waste or in reels) known as "blank" film for use by dealers, renters or exhibitors for leaders or for spacing or for similar purposes, but which shall not and cannot be otherwise employed for the exhibition of motion pictures.

23. The Licensor and the Licensee further mutually covenant and agree that in the "lease territory aforesaid," all leases of positive motion pictures by the Licensee shall be at the prices hereinbefore provided for, without the allowance of any discounts or rebates or other reduction by which a lessee might acquire positive motion pictures at lower prices than those set forth in Paragraphs 16, 17, 18 and 19, or any substitutes therefor hereafter adopted by the Licensor, and that the Licensee will not dispose of such positive motion pictures as premiums, or by lottery, or raffle, or any game of chance, or in any way whereby they may be acquired directly or indirectly for less than the prices set forth in Paragraphs 16, 17, 18 and 19, or substitutes therefor.

The Licensee further covenants and agrees that, in the "lease territory aforesaid," the Licensee will not sell or offer for sale other goods or merchandise at less than current prices in order to induce the lease of positive motion pictures, nor present or donate other goods or merchandise or prizes, or make use of credit cards or trading stamps, or offer any premiums of any kind whatsoever to induce the lease of such positive motion pictures.

24. It is further mutually covenanted and agreed by and between the Licensors and Licensee that no lease of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be made in the "lease territory aforesaid" by the Licensee, except upon and subject to the following terms and conditions, the substance of which (with the exception of the conditions as to the return of positive motion pictures hereinafter referred to) shall be expressed in a printed notice on the labels, as provided for in Paragraph 14, accompanying each positive motion picture, namely, (1) that the lessee of such positive motion picture shall not sell or otherwise dispose of the same outright, but shall only have the right to use such positive motion picture in giving motion picture exhibitions in machines licensed by the Licensors under the said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, or one or more of them, or under any other Letters Patent that it may hereafter acquire or control, or to sub-lease such motion picture for use in such machines; and (2) that the lessee shall not make or permit others to make any reproduction commonly known as a "dupe" of such positive motion picture or any other positive motion picture containing the invention of said reissued Letters Patent No. 12,192; and (3) that the lessee shall not sub-lease the same or any other positive motion picture on film of a greater width than approximately one (1) inch containing the invention of said reissued Letters Patent No. 12,192, for use in giving motion picture exhibitions, until such lessee has entered into an agreement in writing with the Licensors containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect; and (4) that the lessee of such positive motion picture shall not remove the trade-mark or trade name or title therefrom; and (5) that the lessee shall return to the Licensee (without any payment therefor except the transportation charges incident

to the return of the same) on the first day of every month, beginning with July, 1912, an amount of positive motion pictures (on film of a greater width than approximately one (1) inch) in running feet (not leased by the Licensee over six months before) and of the make of the Licensee equal to ninety (90) per cent. of the amount that was so leased during the seventh month preceding the date of each such return, with the exception, however, that where any such positive motion pictures are destroyed by fire or lost in transportation, and proof satisfactory to the Licensee is furnished as to such destruction or loss, the amount so destroyed or lost shall be deducted from the amount to be returned as aforesaid; and (6) that the violation of any of the foregoing conditions, including the terms and conditions of the agreement referred to in condition 3 above, entitles the lessor to immediate possession of such motion picture without liability for any price which the lessee, or the person in whose possession it is found, may have paid therefor.

The Licensee further covenants and agrees that in the "lease territory aforesaid" the Licensee will not discriminate in favor of any lessee, or place upon any motion pictures any restrictions, other than those specified in this paragraph and Paragraph 14, unless authorized by the Licensor.

25. The Licensee covenants and agrees that in the "lease territory aforesaid" the Licensee will dispose of positive motion pictures, on film of a greater width than approximately one (1) inch, only by the sale "for export" and shipment thereof into "said export territory," or by the lease thereof to others for the purpose only of either sub-leasing the same to persons, firms or corporations using such motion pictures for giving exhibitions thereof in exhibiting or projecting machines licensed by the Licensor containing the inventions or some of them, described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, or in Letters Patent hereafter acquired or controlled by the Licensor, or of using the same in such machines so licensed; and will not use the same for the purpose of giving exhibitions thereof for profit, directly or indirectly; it being expressly understood and agreed by and between the Licensor and Licensee, however, that the Licensee shall be at liberty to give exhibitions of such positive motion pictures without profit, directly or indirectly, and to possible or pros-

pective lessees or purchasers thereof; and the Licensee further covenants and agrees not to knowingly allow its positive motion pictures, on film of a greater width than approximately one (1) inch, to be leased for use with any exhibiting or projecting machine not licensed by the Licensors under the Letters Patent mentioned in this paragraph, and that it may hereafter acquire or control, or one or more of them, except by and with the consent of the Licensors; and also to refrain from supplying such motion pictures for use with any exhibiting or projecting machine, the license for which, under the aforesaid Letters Patent, or one or more of them, has been terminated, and the Licensee has been notified thereof by the Licensors; and also to refrain from supplying such motion pictures to any lessee who may sublet such motion pictures to persons, firms or corporations using the same for giving exhibitions thereof in exhibiting or projecting machines not licensed by the Licensors as aforesaid, or the license for which has been terminated and the Licensee has been notified by the Licensors that any such lessee continues to so sublet such motion pictures after being notified by the Licensors not to do so; and the Licensors covenants and agrees to promptly notify any such lessee who may so sublet such motion pictures, after it has knowledge of any such subletting, and to notify the Licensee and the additional licensees hereafter provided for, or such of them as may at the time be licensees, of the termination of any license for the use of any exhibiting or projecting machines under the aforesaid Letters Patent, or any of them, and of any such lessee who may so sublet such motion pictures, after being notified by it not to do so, and to compel all such additional licensees to refrain from supplying motion pictures for use with any such exhibiting or projecting machine, the license for which has been so terminated, or to any such lessee.

26. The Licensors and Licensee further mutually covenant and agree that the Licensors shall and will, during the continuance of this agreement, promptly institute suits against any and all infringers of the Letters Patent, or any of them, mentioned in this agreement, on the request of a majority of the licensees, including the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, and will thereafter diligently prosecute any such suit or suits to final hearing and decision; all expense connected with the institution and prosecution of such suit or suits to be borne by the Licensors, who

shall also be entitled to receive and apply to its own use all recoveries had therein for damages and profits.

The Licensor and Licensee further mutually covenant and agree that if, in case any such suit is brought upon said reissued Letters Patent Nos. 13,329, 12,192, or said Letters Patent Nos. 586,953 or 707,934, either of the claims of said reissued Letters Patent No. 12,192 or either of the first, second or third claims of said reissued Letters Patent No. 13,329, or any of the claims in issue in any such suit upon said Letters Patent Nos. 586,953, or 707,934, is or are held invalid by a court that last hears and decides such suit, or should be held by such court not to be infringed, then, and in any such case, the Licensee may at once terminate this agreement and the license thereby granted, by giving notice of its election so to do to the Licensor.

The Licensor and Licensee further mutually covenant and agree that the Licensor may, at its own expense (except as hereinafter provided) during the continuance of this agreement, institute and prosecute suits against any of the several additional licensees hereinafter provided for, for any breach or violation on the part of any such licensee of the covenants respecting prices at which positive motion pictures shall be leased in the "lease territory aforesaid," and also for violation of any of the other terms, conditions or stipulations entered into by such licensee; that the Licensor shall at the end of each year, counting from June 20, 1912, render to the Licensee a statement in writing showing in detail all legal expenses incurred by it during such year in the prosecution of such suit or suits; and that up to, but not exceeding the sum of Twenty Thousand Dollars (\$20,000) for any such year, all such legal expenses, insofar as they may be reasonable and proper, shall be borne and paid by the Licensee and the several additional licensees hereinafter provided for, *pro rata* according to the number of thousand running feet of new subjects offered for lease or sale by each, relatively to the total number of thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale by all, in the "territory aforesaid," during the year preceding the rendition of such statement, any legal expenses in excess of said Twenty Thousand Dollars (\$20,000) during any such year to be borne and paid by the Licensor unless the Licensor and the Licensee and the several additional licensees hereinafter provided for should hereafter mutually agree otherwise.

27. It is mutually covenanted and agreed by and between the Licensor and Licensee that the Licensor may grant other licenses under said reissued Letters Patent Nos. 13,329 and 12,192, and said Letters Patent Nos. 629,063 and 707,934, so far as the use of the inventions thereof in cameras is concerned, said licenses to be in writing and not to exceed nine in number, and to be to the persons and corporations (or their successors in business) mentioned in Paragraph 2*b* as having license agreements with the Licensor (except by a majority vote of the Licensee and the nine other licensees, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid" by such licensees during the year preceding the taking of such vote), and not to be granted or continued upon terms, conditions or stipulations which are in any respect more favorable to the licensees named therein than those set forth in this agreement, and in the case of the license to George Kleine, it shall be so restricted as to prohibit said Kleine from manufacturing negative motion pictures in "the territory aforesaid," and from manufacturing, from imported negative motion pictures, positive motion pictures, and importing positive motion pictures, in all more than three thousand "running feet of new subjects" per week, except that the Licensor may, in addition thereto, grant him the right to import negative motion pictures of subjects more than one thousand five hundred (1,500) running feet in length and to manufacture positive motion pictures therefrom or have the same manufactured therefrom by the other additional nine licensees; *provided, however* (a) that if any of such additional nine licenses should be terminated, during the continuance of this agreement, then and in each such case, the Licensor may grant a license in writing to some other motion picture manufacturer (or, in the case of George Kleine, some other importers), but not on terms, conditions or stipulations which are more favorable as to such new licensee than those set forth in this agreement; (b) that the Licensor may continue in the Eastman Kodak Company, a New York Corporation, for the term of said Reissued Letters Patent No 13,329, and said Letters Patent Nos. 629,063 and 707,934, the right with which said Eastman Kodak Company is now vested by the Licensor, under said Letters Patent, to use such motion picture cameras as it may desire for its own use, including film testing; and

(c) that the Licensor may, if requested so to do by the Licensee, or any of the additional nine (9) licensees aforesaid (except by George Kleine), grant licenses in writing to individuals to use motion picture cameras embodying the inventions of said reissued Letters Patent No. 13,329 and said Letters Patent Nos. 629,063 and 707,934, such cameras to be leased by the Licensee or one of the said additional nine (9) licensees aforesaid (except by George Kleine) by a non-transferable lease in writing in a form to be approved by the Licensor, and such cameras to be used by the individuals so licensed in making negatives which (or copies of which) are to be used by the Licensee or one of the other nine (9) licensees aforesaid (except George Kleine) in the production of positive motion pictures to be leased or sold by the Licensee or one of the other nine (9) licensees (except George Kleine) in the "lease territory aforesaid" or in Canada.

28. It is further mutually covenanted and agreed by and between the Licensor and the Licensee that the Licensor will, during the continuance of this agreement, license such a number of persons, firms or corporations under said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, to make and sell exhibiting or projecting machines containing the inventions described and claimed in the same, capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, and also such machines not capable of exhibiting or projecting motion pictures on film of a greater width than approximately one (1) inch, as will be able to supply the demand for the same; and that it shall not, and it hereby covenants and agrees that it will not, during the continuance of this agreement, license any person, firm or corporation under said Letters Patent or any of them to make or sell any such exhibiting or projecting machine containing any of the inventions described and claimed in said Letters Patent, and capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, except upon the conditions and restrictions that the sale and purchase of such machine gives only the right to use it solely for exhibiting or projecting motion pictures containing the inventions of said reissued Letters Patent No. 12,192 licensed by the Licensor, while it owns or controls the Letters Patent under which such machine is licensed and upon other terms, to be fixed by the Licensor, while in use and

while the Letters Patent under which it is licensed are owned or controlled by the Licensor (which other terms shall only be the payment of a royalty or rental to the Licensor while in use, as hereinbefore provided for), and that there shall be attached to each such machine, in a conspicuous place, a plate, which is not to be removed therefrom, showing plainly, not only the dates of the Letters Patent under which it is licensed, but also the aforesaid conditions or restrictions.

The Licensor further covenants and agrees that it will not charge any such person, firm or corporation manufacturing and selling any such machine capable of exhibiting or projecting motion pictures on a film of a width greater than approximately one (1) inch, more than Five Dollars (\$5.00) as a license fee for the sale of each such exhibiting or projecting machine sold by any such person, firm or corporation.

The Licensor further covenants and agrees that it will not license any person, firm or corporation to make or sell any exhibiting or projecting machine containing any of the inventions described and claimed in the aforesaid Letters Patent which is not capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, except upon the conditions and restrictions that such machines be used solely for exhibiting or projecting motion pictures on film not wider than approximately one (1) inch, in places where no admission fee is charged; and that there shall be attached to each such machine, in a conspicuous place, a plate, which is not to be removed therefrom, showing plainly, not only the dates of the Letters Patent under which it is licensed, but also the aforesaid conditions or restrictions; and that the Licensor will not charge to any person, firm or corporation making or selling any such machine a license fee of more than 5 per cent. of the net retail selling price of each such machine.

The Licensor further covenants and agrees that it will grant a license to the Licensee, upon its request, to manufacture and sell exhibiting or projecting machines under the Letters Patent referred to, and upon the condition as to the payment of the license fees or royalties and the other conditions and restrictions provided for, in this paragraph, and will not grant licenses thereunder to others on any more favorable terms or conditions, except the Biograph

Company aforesaid, which is not to pay any such license fees or royalties; and will also grant a license to the Licensee to make and sell exhibiting or projecting machines under any other Letters Patent and containing the inventions described and claimed therein that the Licensors may hereafter acquire or control, upon the payment of additional license fees or royalties to be fixed by the Licensors, and subject to similar conditions and restrictions and the placing upon the machines of plates containing such conditions and restrictions as are provided for in this paragraph respecting exhibiting or projecting machines made and sold under the Letters Patent now owned by the Licensors mentioned in this paragraph, and that it will not grant such licenses to others on any more favorable terms or conditions.

It is mutually covenanted and agreed, however, by and between the Licensors and Licensee, that the Licensors shall have the right to grant and that it will grant licenses to persons, firms and corporations upon their request (including the Licensee) to manufacture and sell exhibiting or projecting machines, containing the inventions described and claimed in the aforesaid Letters Patent now owned by the Licensors, capable of exhibiting or projecting, by reflected light, animated pictures on film of any width, but not capable of exhibiting or projecting the same by transmitted light, upon the payment of a royalty or license fee not to exceed 5 per cent. of the net retail selling price of each such machine, and upon the condition that they be used only in places where no admission fee is charged, which condition shall appear on a plate to be attached to each such machine; and also that it will grant licenses to such persons, firms and corporations to manufacture and sell such exhibiting or projecting machines containing the inventions described and claimed in any Letters Patent that the Licensors may hereafter own or control, subject to similar conditions or restrictions and upon the payment of additional license fees or royalties to be fixed by the Licensors; the royalty or license fee, and all the conditions and restrictions of all such licenses, to be the same for the Licensee and such other licensees.

30. It is further mutually covenanted and agreed by and between the Licensors and Licensee that in case the Licensors should be notified by the Licensee or it should otherwise come to its knowledge that any such additional licensee has knowingly or

through gross neglect or carelessness broken, violated or failed to perform any of the terms, conditions or stipulations of the license granted by the Licensor resulting in substantial injury to the Licensor, or the Licensee or the additional licensees aforesaid, the Licensor will promptly notify such licensee in writing of such breach, violation or non-performance, and if such licensee should, for a period of forty (40) days after such notice, persist in or fail to correct, repair or remedy the same, the Licensor shall at once terminate the license to such licensee; and that in case any such licensee should be guilty of a second grossly neglectful, careless or knowing breach, violation or non-performance of such terms, conditions or stipulations, resulting in substantial injury to the Licensor, or the Licensee or the additional licensees aforesaid, then, and in such case, the Licensor shall terminate the license to such licensee by giving the latter thirty (30) days' notice in writing of its intention so to do.

31. The Licensor and Licensee further mutually covenant and agree that by the expression "motion pictures" as used in this agreement, is meant transparent or translucent tape-like film having photographs thereon of objects in motion, embodying the inventions in said reissue No. 12,192.

32. It is further mutually covenanted and agreed by and between the Licensor and Licensee that unless sooner terminated, as hereinbefore or hereinafter provided, this agreement and the license granted thereby shall take effect June 20, 1912, and shall continue until June 20th, 1913, but that the Licensee may renew this agreement and license thereafter for another year ending June 20, 1914, upon the same terms, conditions and stipulations as herein provided, by giving notice to the Licensor on or before May 20, 1913, of the Licensee's election to so renew this agreement and license, and upon the giving of such notice this agreement and the license thereby granted shall be considered and treated by the Licensor and Licensee as renewed for one year, ending June 20, 1914, and that the Licensee may again renew this agreement and license, upon the same terms, conditions and stipulations as herein provided, but only for the period from June 20th, 1914, to August 26th, 1919, the date of expiration of the Letters Patent No. 707,934, by giving notice to the Licensor on or before May 20, 1914, of the Licensee's election to so renew this agreement and license.

33. It is further mutually covenanted and agreed by and between the Licensor and Licensee that if, during said original term or during any such renewal period, either party should knowingly or through gross neglect or carelessness, be guilty of a breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, and should, for the period of forty (40) days after notice thereof from the other party, persist therein or fail to correct, repair or remedy the same, then and in such case the party aggrieved may terminate this agreement by giving notice in writing to the guilty party of its intention so to do. It is, however, mutually covenanted and agreed by and between the Licensor and Licensee that if the guilty party should correct, repair or remedy such breach, violation or non-performance of its covenants, conditions and stipulations within the said period of forty (40) days after such notice, and should, thereafter knowingly or through gross neglect or carelessness be guilty of a second breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, then and in such case, the party aggrieved may terminate this agreement by giving thirty (30) days' notice in writing to the guilty party of its intention so to do. Such termination of the agreement, however, shall not prejudice either party hereto in the recovery of damages because of any such breach, violation or non-performance by the other party hereto.

35. It is further mutually covenanted and agreed by and between the Licensor and the Licensee, that the agreement between the Licensor and the Licensee, referred to in paragraph 2*b*, together with any and all agreements modifying the same, be and the same hereby is terminated as of June 19, 1912.

36. All notices provided for in this agreement shall be in writing and shall be given by delivering the same to the Licensor or Licensee, as the case may be, or to an officer of the Licensor or Licensee, as the case may be, or by depositing such notice, postage prepaid, in any Post-office of the United States, in a sealed envelope directed to the Licensor or the Licensee, as the case may be, at its last known Post-office address, to be forwarded by registered mail.

37. It is mutually covenanted and agreed by and between the Licensor and Licensee that after notice of the termination of this agreement and the license granted thereby by either party, as pro-

vided for in Paragraphs 26 and 33, and after the same have been terminated, no matter what the cause or manner of termination may be, neither this license agreement, nor the fact that the Licensee has entered into or acted under it, shall be used in any manner, directly or indirectly, by or for the Licensor, its successors, assigns or legal representatives, or by or for others with its or their consent or permission, against the Licensee, or the Licensee's successors or legal representatives, in any litigation, controversy or proceeding involving the Licensee or them or any other persons, firms or corporations, or in any other way; it being understood and agreed that upon such termination the positions and rights of the Licensor and Licensee shall be the same as if this agreement had not been made; *provided, however*, that the rights of neither party shall be prejudiced by such termination in the recovery of damages for any breach or other violation of this agreement by the other occurring prior to such termination.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written; it being noted that it contains no paragraphs numbered 10, 11, 29, 34.

MOTION PICTURE PATENTS COMPANY,

By

.....

President.

Attest:

.....

Secretary.

THOMAS A. EDISON, INC.,

By

.....

President.

Attest:

.....

Secretary.

91.

LICENSE AGREEMENT

1. THIS AGREEMENT, made this 6th day of June, 1912, by and between MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Orange, in said State, party of the first part (hereinafter referred to as the Licensor); THOMAS A. EDISON INC., a corporation organized and existing under the laws of the State of New Jersey, and having an office at Orange, in said State (and successor in business of Edison Manufacturing Company, a corporation of New Jersey), party of the second part (hereinafter referred to as the Edison Company), and ESSANAY FILM MANUFACTURING COMPANY, party of the third part (hereinafter referred to as the Licensee), WITNESSETH that:

2. WHEREAS, the Licensor represents that it is organized to own, deal in and grant licenses under Letters Patent pertaining to the motion picture art, and that it is the owner of all the right, title and interest in and to the following United States Letters Patent, all relating to improvements in the motion picture art:

No. 578,185, dated March 2, 1897, for Vitascope, granted to Thomas Armat;

No. 580,749, dated April 13, 1897, for Vitascope, granted to Thomas Armat;

No. 586,953, dated July 20, 1897, for Phantoscope, granted to Charles F. Jenkins and Thomas Armat;

No. 588,916, dated August 24, 1897, for Kinetoscope, granted to Charles M. Campbell as the assignee of Willard G. Stewart and Ellis F. Frost;

No. 629,063, dated July 18, 1899, for Kinetoscopic Camera, granted to American Mutoscope Company as the assignee of Herman Casler;

No. 673,329, dated April 30, 1901, for Kinetoscope, granted to The American Vitagraph Company as the assignee of Albert E. Smith;

No. 673,992, dated May 14, 1901, for Vitascope, granted to Thomas Armat;

No. 707,934, dated August 26, 1902, for Projecting Kinetoscope, granted E. & H. T. Anthony & Co. as assignee of Woodville Latham;

No. 722,382, dated March 10, 1903, for Animated Picture Apparatus, granted to American Mutoscope & Biograph Company as the assignee of John A. Pross;

No. 744,251, dated November 17, 1903, for Kinetoscope, granted Albert E. Smith;

No. 12,192, dated January 12, 1904, for Kinetoscopic Film, granted to Thomas A. Edison, the same being based on letters patent numbered 589,168, dated August 31, 1897;

No. 770,937, dated September 27, 1904, for Kinetoscope, granted the Vitagraph Company of America as the assignee of Albert E. Smith;

No. 771,280, dated October 4, 1904, for Winding-Reel, granted Albert E. Smith;

No. 785,205, dated March 21, 1905, for Flame-Shield for Kinetoscopes, granted The Vitagraph Company of America as the assignee of William Ellwood;

No. 785,237, dated March 21, 1905, for Film-Holder for Kinetoscopes, granted The Vitagraph Company of America as the assignee of Albert E. Smith; and

No. 13,329, dated December 5, 1911, for Kinetoscope granted to the Licensor as assignee, by mesne assignments of Thomas A. Edison, the same being also a reissue of letters patent No. 589,168, aforesaid, and for the invention set forth in a previous reissue thereof numbered 12,037, dated September 30, 1902; and that there are no licenses, shop-rights or other rights outstanding to any person, firm or corporation engaged in the business of manufacturing and selling or leasing motion pictures, to manufacture and sell or lease to others motion pictures embodying the inventions of said reissued letters patent No. 12,192, or to manufacture or use in carrying on such business cameras embodying the inventions of said reissued letters patent No. 13,329 and said letters patent Nos. 629,063 and 707,934, except to the General Film Company, a Maine corporation, granted on or about April 21, 1910, of which the Licensee has knowledge, and except as follows:

2a. A certain license granted under said reissued letters patent Nos. 12,037 and 12,192, by the Edison Manufacturing Company aforesaid to Pathe Freres, of New York, under an agreement in writing between it and the latter, dated May 20, 1908, and taking

effect June 20, 1908, and certain other licenses granted, under said reissued letters patent, by said Edison Manufacturing Company to the Kalem Company, of New York, the Essanay Company, of Chicago, Siegmund Lubin, of Philadelphia, Gaston Melies, of New York (for himself and as attorney for George Melies, of Paris, France), Selig Polyscope Company of Chicago, and the Vitagraph Company of America, of New York, under agreements in writing between said Edison Manufacturing Company and said several licensees, dated January 31, 1908; which said agreements, dated May 20, 1908, and January 31, 1908, (except that to which Gaston Melies was a party), were suspended by the parties thereto in and by the license agreements next referred to to which said licensees (or their successors) were parties, in the same manner as hereinafter provided for in paragraph 34; and

2b. Certain licenses granted, under said reissued letters patent Nos. 12,037 and 12,192, and said letters patent Nos. 629,063 and 707,934, by the Licensor, to Edison Manufacturing Company aforesaid (predecessor of the Edison Company aforesaid), Biograph Company, of New Jersey, Essanay Film Manufacturing Company, of Illinois, Kalem Company aforesaid, Siegmund Lubin, aforesaid (succeeded by Lubin Manufacturing Company, of Pennsylvania), Pathe Freres aforesaid, Selig Polyscope Company aforesaid, and Vitagraph Company of America aforesaid, under agreements in writing between the Licensor and said several licensees dated December 18, 1908, at which time a certain license was also granted by the Licensor, under said reissued letters patent No. 12,192, to George Kleine, of Chicago, which, however, did not include the right to manufacture negative motion pictures nor the right to manufacture or use such cameras as aforesaid, and also a license to Gaston Melies (for himself and as attorney for George Melies, of Paris, France), dated July 20, 1909; and

3. WHEREAS, the Licensor, the Edison Company and the Licensee are desirous of continuing the suspension of operation of the said license agreement between the Edison Manufacturing Company and the Licensee referred to in paragraph 2a of this agreement; and

4. WHEREAS, the Licensor, the Edison Company and the Licensee are also desirous of terminating the license agreement, between the Licensor, the Edison Manufacturing Company and the

Licensee, referred to in paragraph 2*b*, together with any and all agreements modifying the same; and

5. WHEREAS, the Licensee is engaged in the manufacture, sale and leasing of motion pictures, including the printing of positive motion pictures from negative motion pictures of the Licensee's own production, and, relying upon the aforesaid representations of the Licensors and induced thereby, desires to obtain from the Licensors a license under said two reissued Letters Patent numbered 13,329 and 12,192, and Letters Patent Nos. 629,063 and 707,934, and to lease positive motion pictures for use in exhibiting or projecting machines containing the inventions, or any of them described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and to sell or lease positive motion pictures on film of a width approximately (1) inch or less in certain territory and on film of any width in certain territory:

6. NOW THEREFORE, the parties hereto, for and in consideration of the sum of One Dollar to each in hand paid by the other, and for other good and valuable considerations from each to the other moving, receipt of all of which is hereby acknowledged, have agreed as follows:

7. The Licensors hereby grants to the Licensee, for the term and subject to the covenants, conditions and stipulations herein-after expressed, the right and license under said reissued Letters Patent No. 13,329 and Letters Patent Nos. 629,063 and 707,934, for the United States, its territories dependencies and possessions (hereinafter called the "territory aforesaid") to manufacture and use such a number of cameras embodying the inventions of said reissued Letters Patent No. 13,329 and Letters Patent Nos. 629,063 and 707,934, as may be necessary for the proper conduct of the Licensee's business, and to manufacture, print and produce positive motion pictures embodying the inventions of said reissued Letters Patent No. 12,192, and to lease the same in the United States, its territories, dependencies and possessions (with the exceptions of its insular possessions and Alaska), hereinafter referred to as the "lease territory aforesaid," on film of a greater width than approximately one (1) inch, upon condition that they be used solely in exhibiting or projecting machines containing the inventions or some of them of said Letters Patent Nos. 578,185, 580,749, 586,953,

588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and licensed by the Licensor, and to sell or lease positive motion pictures embodying the invention of said re-issued Letters Patent No. 12,192, on film of a width approximately one (1) inch or less in the "lease territory aforesaid" and on film of any width in or for use in said insular possessions and Alaska and foreign countries, hereinafter referred to as "said export territory"; shipments thereto and sales and leases therefor being hereinafter referred to as "for export."

The license hereby granted is personal to the Licensee and does not include the right to dispose of, in the "territory aforesaid," any cameras embodying any invention covered by said reissued Letters Patent No. 13,329 and Letters Patent Nos. 629,063 and 707,934; and, in the event of the Licensee's permanent discontinuance of business or retirement therefrom for a period of six consecutive months, the license hereby granted shall be immediately terminated.

8. The Licensor, for itself, its successors, assigns and legal representatives, hereby releases, acquits and discharges the Licensee from any and all claims, demands and liability for profits and damages, because of any infringement by the Licensee of any or all of the aforesaid United States Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and reissued Letters Patent Nos. 13,329 and 12,192, or use by the Licensee of the inventions, or any of them, covered by said Letters Patent or either of them prior to the date hereof.

9. The Licensee hereby recognizes and admits the validity of said reissued Letters Patent No. 13,329, and the validity of said re-issued Letters Patent No. 12,192 and Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and agrees not to contest or question the same during the continuance of this agreement.

10. The Licensee further covenants and agrees that the Licensee will, within fifteen (15) days after the twentieth (20) day of each month after this agreement takes effect, and during its continuance, submit a statement in writing, signed by the proper officer of the Licensee, and sworn to if requested by the Licensor, showing

the total number of running feet of positive motion pictures sold and leased by the Licensee for use in the "territory aforesaid" and sold and leased by the Licensee in or for use in Canada, as well as the total number of running feet of negative motion pictures used by it in the "territory aforesaid" in the production of positive motion pictures sold or leased by the Licensee, during the period from the twentieth (20) day of the preceding calendar month to the twentieth (20) day of the month for which such statement is submitted, and will at the same time pay to the Licensor the royalties due on said amounts of motion pictures according to the minimum rate of royalty hereinafter provided for, and will, after each year ending June 20, pay to the Licensor the additional royalties due thereon according to the royalty schedule provided for in Paragraph 11. The Licensee further covenants and agrees to keep correct books of account and to permit the Licensor to determine, by examination thereof, at all reasonable times and through any reputable chartered accountants to be selected by the Licensor, the number of running feet of positive motion pictures so leased and sold and negative motion pictures so used by the Licensees while this agreement is in effect, if the Licensor should so desire.

11. The Licensor and the Licensee further mutually covenant and agree that the Licensor shall charge to and receive from the Licensee, and the Licensee shall pay to the Licensor, on all positive motion pictures, on film of a width of approximately one and three-eighths ($1\frac{3}{8}$) inches, leased and sold by the Licensee in the "territory aforesaid" and in Canada, as well as negative motion pictures used (as defined in paragraph 10) by the Licensee, in the "territory aforesaid," royalties not exceeding, during any year counting from June 20, 1912, the following rates, that is to say.

If the total number of running feet of positive motion pictures so leased and sold and negative motion pictures so used by the Licensee shall be four million (4,000,000) running feet or less, a royalty of one-half ($1\frac{1}{2}$) a cent per running foot on the total number of running feet so leased, sold and used for that year; if such total number of running feet shall exceed four million (4,000,000) running feet but not exceed six million (6,000,000) running feet, a royalty of four and one-half ($4\frac{1}{2}$) mills per running foot on the total number of running feet so leased, sold and used for that year; if such total number of running feet shall exceed six million

(6,000,000) running feet but not exceed eight million (8,000,000) running feet, a royalty of four (4) mills per running foot on the total number of running feet so sold, leased and used for that year; if such total number of running feet shall exceed eight million (8,000,000) running feet but not exceed ten million (10,000,000) running feet, a royalty of three and three-quarter ($3\frac{3}{4}$) mills per running foot on the total number of running feet so leased, sold and used for that year; and if such total number of running feet shall exceed ten million (10,000,000) running feet, a royalty of three and one-quarter ($3\frac{1}{4}$) mills per running foot on the total number of running feet so sold, leased and used for that year.

And for motion pictures on film narrower or wider than approximately one and three-eighths inch ($1\frac{3}{8}$ in.), the above mentioned royalty rates shall be reduced or increased in proportion to the reduction or increase in width of such narrower or wider film below or above the width of approximately one and three-eighths inch ($1\frac{3}{8}$ in.).

The Licensor and Licensee further agree that, in the first instance, as provided in paragraph 10, the Licensee shall pay to the Licensor royalties according to the minimum rate (three and one-quarter ($3\frac{1}{4}$) mills per running foot) aforesaid; that the Licensor shall, after each year ending June 20, adjust, according to the royalty schedule aforesaid, the royalty account of the Licensee as to the total number of running feet so sold, leased and used during such year ending June 20th and on which royalties have been charged and collected by the Licensor and paid by the Licensee during such year; and that the Licensee shall, within twenty (20) days after such adjustment and notice thereof to it by the Licensor, pay to the Licensor the balance of the royalties due by it to the Licensor according to such adjustment.

12. The Licensor and Licensee further mutually covenant and agree that no royalty other than or in addition to that provided for in paragraph 11 shall be charged to or collected from the Licensee by the Licensor under said reissued Letters Patent No. 13,329 and 12,192 and said Letters Patent Nos. 629,063 and 707,934, up to June 20, 1913, or during any renewal of this agreement up to August 31, 1914, the date of the expiration of said reissued Letters Patent Nos. 13,329 and 12,192, and no royalty whatever shall be charged to or collected from the Licensee by the Licensor under

said letter patent after either the first, second and third claims of said reissued Letters Patent No. 13,329, and either of the claims of said reissued Letters Patent No. 12,192, in any suit, as hereinafter provided for, for infringement thereof, are held invalid by a court that last hears and decides such suit, or after August 31, 1914, during any renewal of this agreement; and that the Licensor shall charge royalties or rents for the use of all exhibiting or projecting machines capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, containing the inventions, or any of them, described and claimed in the aforesaid Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, licensed by the Licensor and that all such royalties or rents shall be collected by the Licensor, directly or indirectly, from the exhibitors using such machines, and shall be fixed by the Licensor and charged to and so collected from such exhibitors by the Licensor at such a rate as to average as nearly as possible a royalty or rental of Two Dollars (\$2.00) per week for each such licensed machine in use.

13. The Licensee further covenants and agrees not to lease, loan, rent out, sell or offer for sale, or otherwise dispose of in the "territory aforesaid," without the consent in writing of the Licensor, motion pictures to anyone purchasing or otherwise obtaining, leasing, using, loaning, renting out, selling, offering for sale, or otherwise disposing of or dealing in, motion pictures containing the invention of said reissued Letters Patent No. 12,192, not the output of the Licensee or other licensees under said letters patent.

14. The Licensee further covenants and agrees to mark each and every camera which the Licensee may make or use under this agreement embodying the inventions of reissued Letters Patent No. 13,329, and Letters Patent Nos. 629,063 and 707,934, or any of them, with the word "Patented" followed by the dates of grant of all of the said Letters Patent the inventions claimed in which are embodied in the said camera or apparatus, and to photographically print the Licensee's trade mark on the title of each positive motion picture on film of a greater width than approximately one (1) inch leased by the Licensee in the "lease territory aforesaid," and to mark conspicuously on the labels which shall be placed on boxes or packages containing positive motion pictures on film of a greater

width than approximately one (1) inch leased by the Licensee in the "lease territory aforesaid," the following words and figures:

LICENSED MOTION PICTURE.

Manufactured and Leased by and Property of

(Patented in the United States August 31, 1897; reissued January 12, 1904).

The enclosed motion picture is leased only and upon the following terms and conditions:—

1. That the lessee shall not sell or otherwise dispose of the same outright, but shall have only the right to sub-let or use such motion picture.

2. That the lessee shall permit such motion picture to be exhibited only on motion picture projecting machines licensed by the Motion Picture Patents Company of New Jersey under its patents covering such projecting machines.

3. That the lessee shall not have the right to sublet such motion picture until such lessee has entered into an agreement in writing, with the Motion Picture Patents Company containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect.

4. That the lessee or user thereof shall not make or permit others to make any reproduction commonly known as a "dupe," of such motion picture or any other motion picture containing the inventions of the above reissued patent.

5. That the lessee or user thereof shall not remove the trademark or trade name or title therefrom.

6. That the violation of any of the foregoing conditions, including the terms and conditions of the agreement referred to in 3, entitles the lessor to immediate possession of this motion picture without liability for any price which the lessee or the person in whose possession it is found, may have paid therefor.

15. The Licensee further covenants and agrees not to use, without the consent in writing of the Licensor, in the production of negative or positive motion pictures, under this agreement, except as hereinafter provided, the negative or positive motion pictures (or reproductions commonly known as "dupes" of the neg-

ative or positive motion pictures) of any other manufacturer or person, firm or corporation located either in the "territory aforesaid" or in any foreign country, whether the same have or have not been copyrighted in the "territory aforesaid" or in any foreign country; it being agreed between the Licensor and Licensee, however, that the Licensee may use such negative motion pictures for the production of positive motion pictures subject to the following conditions, namely: that such negative motion pictures have not been made in the "territory aforesaid," nor by persons, firms or corporations whose product George Kleine aforesaid may now or hereafter be licensed by the Licensor to import; that no motion pictures therefrom (or from negatives which are substantially copies thereof) shall have been previously sold, leased or publicly exhibited in the "territory aforesaid" or in Canada; that the exclusive rights thereto and for making prints therefrom for the "territory aforesaid" are purchased from the manufacturer thereof by the Licensee; that the subjects matter thereof are copyrighted in the "territory aforesaid" and the copyrights therefor owned by the Licensee; that the Licensee shall not permit infringements of such copyrights therefor; and that the total number of running feet of new subjects printed from such negatives so purchased shall not exceed ten per cent. (10%) of the Licensee's total releases of new subjects in any year beginning June 20th during the continuance of this agreement.

By the expression "running feet of new subjects" above referred to, and hereafter used, the parties hereto agree, is meant the aggregate amount ascertained by adding together the individual number of running feet of one print of each and every new motion picture on film of a greater width than approximately one (1) inch, regularly listed and offered for lease in the "lease territory aforesaid."

16. The Licensor has established the following scale of minimum prices (which the Licensee admits is a fair and reasonable one) for the lease of positive motion pictures on film of a greater width than approximately one (1) inch in the "lease territory aforesaid," embodying the invention of said reissued Letters Patent No. 12,192:

MOTION PICTURES ON ORDINARY FILM.

List	13 cents per running foot.
Standing Order	11 " " " "

Topical Pictures	9	"	net per running foot.
Films leased between two and four months after release date.....	9	"	per running foot.
Films leased between four and six months after release date.....	7	"	net per running foot.
Films leased after six months after release date			any price, net.

MOTION PICTURES ON NON-INFLAMMABLE FILM.

List	14	cents per running foot.
Standing Order	12	" " " "

A rebate of 10 per cent. may be allowed on all of the above prices except on the 9 cent price for Topical Pictures and on the 7 cent price and lower prices which are net; said rebates to be due and payable between the 1st and 15th days of each of the months of March, May, July, September, November and January, on all motion pictures leased during the two months preceding each said period, provided all the terms and conditions of the agreement referred to in clause (3) of paragraph 24 have been faithfully observed.

The Licensor and Licensee further mutually covenant and agree that the Licensor shall fix and determine the minimum lease prices at which such motion pictures shall be leased by the Licensee in the "lease territory aforesaid," and shall change such scale of minimum prices from time to time as in its judgment market conditions may require; and the Licensee further agrees that any changes which may hereafter be made in said scale of prices, and of which the Licensee shall be notified in writing by the Licensor, shall be accepted and adopted by the Licensee in the place and stead of the scale of prices above given or of any substitute or substitutes therefor adopted prior to such change; each such notice to be given to the Licensee at least three weeks in advance of the change to be made.

17. The Licensor and Licensee further mutually covenant and agree that an order in the "lease territory aforesaid," for one or more such positive motion pictures of each and every new subject made or released by the Licensee (except chrono-photographic subjects and other special subjects that are announced and advertised as special by the Licensee and of which no copy or print is leased by the Licensee for less than list price within two (2) months after

release date) when offered for lease in the regular order of business, shall constitute a "standing order" within the meaning of the scale of prices aforesaid or any substitute therefor hereafter adopted, said standing order to remain in force for not less than twenty-one (21) consecutive days; and the parties hereto further mutually covenant and agree that the minimum price at which any additional positive motion pictures shall be leased, in the "lease territory aforesaid," subsequent to the filling of a standing order, shall be fixed by the Licensor, and the latter hereby fixes such price as the same per running foot as the pictures furnished on such standing order, unless otherwise provided for in the scale of prices aforesaid or any substitute therefor hereafter adopted. The Licensee further covenants and agrees that all such positive motion pictures which may be hereafter leased by it in the "lease territory aforesaid," to persons not having a standing order, as above defined, shall in every case be leased at not less than the list price mentioned in said scale of prices or any substitute therefor hereafter adopted by the Licensor, except as provided for in Paragraph 19 as to "special motion pictures."

18. The Licensor and Licensee further mutually covenant and agree that such positive motion pictures made by or for the Licensee, and not leased or sold prior to June 20, 1912, shall be subject to the scale of prices aforesaid, and shall be leased in the "lease territory aforesaid," at not less than the prices fixed in said scale for positive motion pictures as provided for in Paragraphs 16 and 17.

19. The Licensor and Licensee further mutually covenant and agree that in the case of so-called "special motion pictures" (where it is agreed, by the Licensee, that the negative shall be the exclusive property of the person ordering the same, although remaining in the care and custody of the Licensee, and where positive prints therefrom shall be made from time to time on the order of such person), the price to be paid for the making of such negative and the lease of the first positive print therefrom in the "territory aforesaid" shall be fixed by the Licensor, and it hereby fixes the price at not less than fifty (50) cents per running foot, and the price at which positive prints therefrom, after the first, shall be leased in the "lease territory aforesaid," at not less than fifteen (15) cents per running foot; and it is further agreed by the Licensor and Licensee that the Licensee shall not, without the consent of the Licensor, lease more than five (5) prints of any such negative in any one year.

20. The Licensee further covenants and agrees not to lease such motion pictures in the "lease territory aforesaid," under any circumstances, either directly or indirectly, during the continuance of this agreement, at lower prices than those fixed and established as provided for in Paragraphs 16, 17, 18 and 19.

21. It is further mutually covenanted and agreed by the Licensor and Licensee that the Licensee shall have the right to sell or otherwise dispose of motion pictures in or for "said export territory," and that the prices above referred to in Paragraphs 16, 17, 18 and 19, or any substitute or substitutes for the same hereafter adopted by the Licensor, shall not apply to sales or shipments of motion pictures made *bona fide* for export, when the goods, addressed to the purchaser, agent or consignee, are delivered to the vessel or to a transportation company for transportation to "said export territory," and not otherwise.

The Licensor and the Licensee further mutually covenant and agree that in no case shall sales or shipments "for export" of motion pictures be knowingly made by the Licensee to persons, firms or corporations who such Licensee has reason to believe will reimport them into the "lease territory aforesaid" for sale or use.

22. The Licensor and the Licensee further mutually covenant and agree that the Licensee shall not sell or otherwise dispose of any negative motion pictures, nor sell or lease or offer for sale or lease, in the "territory aforesaid," at reduced prices, motion pictures, on film of a greater width than approximately one (1) inch, which are second-hand or which have been used or which have become shop-worn or in any way damaged; but this provision shall not prevent the Licensee from selling as refuse in the "territory aforesaid" second-hand positive or negative motion pictures or motion pictures which have been used or become shop-worn or in any way damaged, to a manufacturer to manufacture other articles than motion pictures therefrom, but only after they have been rendered by the Licensee unsuitable for use as motion pictures by cutting or otherwise defacing them; or from selling exposed positive or negative film (either waste or in reels) known as "blank" film for use by dealers, renters or exhibitors for leaders or for spacing or for similar purposes, but which shall not and cannot be otherwise employed for the exhibition of motion pictures.

23. The Licensor and the Licensee further mutually covenant and agree that in the "lease territory aforesaid," all leases of posi-

tive motion pictures by the Licensee shall be at the prices hereinbefore provided for, without the allowance of any discounts or rebates or other reduction by which a lessee might acquire positive motion pictures at lower prices than those set forth in Paragraphs 16, 17, 18 and 19, or any substitutes therefor hereafter adopted by the Licensor, and that the Licensee will not dispose of such positive motion pictures as premiums, or by lottery, or raffle, or any game of chance, or in any way whereby they may be acquired directly or indirectly for less than the prices set forth in Paragraphs 16, 17, 18 and 19, or substitutes therefor.

The Licensee further covenants and agrees that, in the "lease territory aforesaid," the Licensee will not sell or offer for sale other goods or merchandise at less than current prices in order to induce the lease of positive motion pictures, nor present or donate other goods or merchandise or prizes, or make use of credit cards or trading stamps, or offer any premiums of any kind whatsoever to induce the lease of such positive motion pictures.

24. It is further mutually covenanted and agreed by and between the Licensor and Licensee that no lease of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be made in the "lease territory aforesaid" by the Licensee, except upon and subject to the following terms and conditions, the substance of which (with the exception of the conditions as to the return of positive motion pictures hereinafter referred to) shall be expressed in a printed notice on the labels, as provided for in Paragraph 14, accompany each positive motion picture, namely, (1) that the lessee of such positive motion picture shall not sell or otherwise dispose of the same outright, but shall only have the right to use such positive motion picture in giving motion picture exhibitions in machines licensed by the Licensor under the said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, or one or more of them, or under any other Letters Patent that it may hereafter acquire or control, or to sub-lease such motion picture for use in such machines; and (2) that the lessee shall not make or permit others to make any reproduction commonly known as a "dupe" of such positive motion picture or any other positive motion picture containing the invention of said reissued Letters Patent No. 12,192; and (3) that the lessee shall not sub-lease the same or any other positive motion picture on film of a greater width than approxi-

mately one (1) inch containing the invention of said reissued Letters Patent No. 12,192, for use in giving motion picture exhibitions, until such lessee has entered into an agreement in writing with the Licensor containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect; and (4) that the lessee of such positive motion picture shall not remove the trade-mark or trade name or title therefrom; and (5) that the lessee shall return to the Licensee (without any payment therefor except the transportation charges incident to the return of the same) on the first day of every month, beginning with July, 1912, an amount of positive motion pictures (on film of a greater width than approximately one (1) inch) in running feet (not leased by the Licensee over six months before) and of the make of the Licensee equal to ninety (90) per cent. of the amount that was so leased during the seventh month preceding the date of each such return, with the exception, however, that where any such positive motion pictures are destroyed by fire or lost in transportation, and proof satisfactory to the Licensee is furnished as to such destruction or loss, the amount so destroyed or lost shall be deducted from the amount to be returned as aforesaid; and (6) that the violation of any of the foregoing conditions, including the terms and conditions of the agreement referred to in condition 3 above, entitles the lessor to immediate possession of such motion picture without liability for any price which the lessee, or the person in whose possession it is found, may have paid therefor.

The Licensee further covenants and agrees that in the "lease territory aforesaid" the Licensee will not discriminate in favor of any lessee, or place upon any motion pictures any restrictions, other than those specified in this paragraph and Paragraph 14, unless authorized by the Licensor.

25. The Licensee covenants and agrees that in the "lease territory aforesaid" the Licensee will dispose of positive motion pictures, on film of a greater width than approximately one (1) inch, only by the sale "for export" and shipment thereof into "said export territory," or by the lease thereof to others for the purpose only of either sub-leasing the same to persons, firms or corporations using such motion pictures for giving exhibitions thereof in exhibiting or projecting machines licensed by the Licensor containing the inventions or some of them, described and claimed in said Letters

Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, or in Letters Patent hereafter acquired or controlled by the Licensor, or of using the same in such machines so licensed; and will not use the same for the purpose of giving exhibitions thereof for profit, directly or indirectly; it being expressly understood and agreed by and between the Licensor and Licensee, however, that the Licensee shall be at liberty to give exhibitions of such positive motion pictures without profit, directly or indirectly, and to possible or prospective lessees or purchasers thereof; and the Licensee further covenants and agrees not to knowingly allow its positive motion pictures, on film of a greater width than approximately one (1) inch, to be leased for use with any exhibiting or projecting machine not licensed by the Licensor under the Letters Patent mentioned in this paragraph, and that it may hereafter acquire or control, or one or more of them, except by and with the consent of the Licensor; and also to refrain from supplying such motion pictures for use with any exhibiting or projecting machine, the license for which, under the aforesaid Letters Patent, or one or more of them, has been terminated, and the Licensee has been notified thereof by the Licensor; and also to refrain from supplying such motion pictures to any lessee who may sub-let such motion pictures to persons, firms or corporations using the same for giving exhibitions thereof in exhibiting or projecting machines not licensed by the Licensor as aforesaid, or the license for which has been terminated and the Licensee has been notified by the Licensor that any such lessee continues to so sub-let such motion pictures after being notified by the Licensor not to do so; and the Licensor covenants and agrees to promptly notify any such lessee who may so sub-let such motion pictures, after it has knowledge of any such sub-letting, and to notify the Licensee and the additional licensees hereafter provided for, or such of them as may at the time be licensees, of the termination of any license for the use of any exhibiting or projecting machines under the aforesaid Letters Patent, or any of them, and of any such lessee who may so sub-let such motion pictures, after being notified by it not to do so, and to compel all such additional licensees to refrain from supplying motion pictures for use with any such exhibiting or projecting machines the license for which has been so terminated, or to any such lessee.

26. The Licensor and Licensee further mutually covenant and agree that the Licensor shall and will, during the continuance of this agreement, promptly institute suits against any and all infringers of the Letters Patent, or any of them, mentioned in this agreement, on the request of a majority of the licensees, including the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, and will thereafter diligently prosecute any such suit or suits to final hearing and decision; all expense connected with the institution and prosecution of such suit or suits to be borne by the Licensor, who shall also be entitled to receive and apply to its own use all recoveries had therein for damages and profits.

The Licensor and Licensee further mutually covenant and agree that if, in case any such suit is brought upon said reissued Letters Patent Nos. 13,339, 12,192, or said Letters Patent Nos. 586,953 or 707,934, either of the claims of said reissued Letters Patent No. 12,192 or either of the first, second or third claims of said reissued Letters Patent No. 13,329, or any of the claims in issue in any such suit upon said Letters Patent Nos. 586,953, or 707,934, is or are held invalid by a court that last hears and decides such suit, or should be held by such court not to be infringed, then, and in any such case, the Licensee may at once terminate this agreement and the license thereby granted, by giving notice of its election so to do to the Licensor.

The Licensor and Licensee further mutually covenant and agree that the Licensor may, at its own expense (except as hereinafter provided) during the continuance of this agreement, institute and prosecute suits against any of the several additional licensees hereinafter provided for, for any breach or violation on the part of any such licensee of the covenants respecting prices at which positive motion pictures shall be leased in the "lease territory aforesaid," and also for violation of any of the other terms, conditions or stipulations entered into by such licensee; that the Licensor shall at the end of each year, counting from June 20, 1912, render to the Licensee a statement in writing showing in detail all legal expenses incurred by it during such year in the prosecution of such suit or suits; and that up to, but not exceeding the sum of Twenty Thousand Dollars (\$20,000) for any such year, all such legal expenses, insofar as they may be reasonable and proper, shall be borne and

paid by the Licensee and the several additional licensees hereinafter provided for, *pro rata* according to the number of thousand running feet of new subjects offered for lease or sale by each, relatively to the total number of thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale by all, in the "territory aforesaid," during the year preceding the rendition of such statement, any legal expenses in excess of said Twenty Thousand Dollars (\$20,000) during any such year to be borne and paid by the Licensor unless the Licensor and the Licensee and the several additional licensees hereinafter provided for should hereafter mutually agree otherwise.

27. It is mutually covenanted and agreed by and between the Licensor and Licensee that the Licensor may grant other licenses under said reissued Letters Patent Nos. 13,329 and 12,192, and said Letters Patent Nos. 629,063 and 707,934, so far as the use of the inventions thereof in cameras is concerned, said licenses to be in writing and not to exceed nine in number, and to be to the persons and corporations (or their successors in business) mentioned in Paragraph 2b as having license agreements with the Licensor (except by a majority vote of the Licensee and the nine other licensees, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid" by such licensees during the year preceding the taking of such vote), and not to be granted or continued upon terms, conditions or stipulations which are in any respect more favorable to the licensees named therein than those set forth in this agreement (except to Pathe Freres and except to the Edison Company, and the latter shall only be more favorable to it in the matter of the payment of royalties to the Licensor), and in the case of the license to George Kleine, it shall be so restricted as to prohibit said Kleine from manufacturing negative motion pictures in "the territory aforesaid," and from manufacturing, from imported negative motion pictures, postive motion pictures, and importing positive motion pictures, in all more than three thousand "running feet of new subjects" per week, except that the Licensor may, in addition thereto, grant him the right to import negative motion pictures of subjects more than one thousand five hundred (1,500) running feet in length and to manufacture positive motion pictures therefrom or have the same manufactured therefrom by

the other additional nine licensees; *provided, however*, (a) that if any of such additional nine licenses should be terminated, during the continuance of this agreement, then and in each such case, the Licensor may grant a license in writing to some other motion picture manufacturer (or, in the case of George Kleine, some other importers), but not on terms, conditions or stipulations which are more favorable as to such new licensee than those set forth in this agreement; (b) that the Licensor may continue in the Eastman Kodak Company, a New York Corporation, for the term of said Reissued Letters Patent No. 13,329, and said Letters Patent Nos. 629,063 and 707,934, the right with which said Eastman Kodak Company is now vested by the Licensor, under said Letters Patent, to use such motion picture cameras as it may desire for its own use, including film testing; and (c) that the Licensor may, if requested so to do by the Licensee, or any of the additional nine (9) licensees aforesaid (except by George Kleine), grant licenses in writing to individuals to use motion picture cameras embodying the inventions of said reissued Letters Patent No. 13,329 and said Letters Patent Nos. 629,063 and 707,934, such cameras to be leased by the Licensee or one of the said additional nine (9) licensees aforesaid (except by George Kleine) by a non-transferable lease in writing in a form to be approved by the Licensor, and such cameras to be used by the individuals so licensed in making negatives which (or copies of which) are to be used by the Licensee or one of the other nine (9) licensees aforesaid (except George Kleine) in the production of positive motion pictures to be leased or sold by the Licensee or one of the other nine (9) licensees (except George Kleine) in the "lease territory aforesaid" or in Canada.

28. It is further mutually covenanted and agreed by and between the Licensor and the Licensee that the Licensor will, during the continuance of this agreement, license such a number of persons, firms or corporations under said Letters Patent, Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, to make and sell exhibiting or projecting machines containing the inventions described and claimed in the same, capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, and also such machines not capable of exhibiting or projecting motion pictures on film of a greater width than approximately one (1) inch, as will be able to supply the demand for the same; and

that it shall not, and it hereby covenants and agrees that it will not, during the continuance of this agreement, license any person, firm or corporation under said Letters Patent or any of them to make or sell any such exhibiting or projecting machine containing any of the inventions described and claimed in said Letters Patent, and capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, except upon the conditions and restrictions that the sale and purchase of such machine gives only the right to use it solely for exhibiting or projecting motion pictures containing the inventions of said reissued Letters Patent No. 12,192 licensed by the Licensor, while it owns or controls the Letters Patent under which such machine is licensed and upon other terms, to be fixed by the Licensor, while in use and while the Letters Patent under which it is licensed are owned or controlled by the Licensor (which other terms shall only be the payment of a royalty or rental to the Licensor while in use, as hereinbefore provided for), and that there shall be attached to each such machine, in a conspicuous place, a plate, which is not to be removed therefrom, showing plainly, not only the dates of the Letters Patent under which it is licensed, but also the aforesaid conditions or restrictions.

The Licensor further covenants and agrees that it will not charge any such person, firm or corporation manufacturing and selling any such machine capable of exhibiting or projecting motion pictures on a film of a width greater than approximately one (1) inch, more than Five Dollars (\$5.00) as a license fee for the sale of each such exhibiting or projecting machine sold by any such person, firm or corporation.

The Licensor further covenants and agrees that it will not license any person, firm or corporation to make or sell any exhibiting or projecting machine containing any of the inventions described and claimed in the aforesaid Letters Patent which is not capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, except upon the conditions and restrictions that such machines be used solely for exhibiting or projecting motion pictures on film not wider than approximately one (1) inch, in places where no admission fee is charged; and that there shall be attached to each such machine, in a conspicuous place, a plate, which is not to be removed therefrom, showing plainly,

not only the dates of the Letters Patent under which it is licensed, but also the aforesaid conditions or restrictions; and that the Licensor will not charge to any person, firm or corporation making or selling any such machine a license fee of more than 5 per cent. of the net retail selling price of each such machine.

The Licensor further covenants and agrees that it will grant a license to the Licensee, upon its request, to manufacture and sell exhibiting or projecting machines under the Letters Patent referred to, and upon the condition as to the payment of the license fees or royalties and the other conditions and restrictions provided for, in this paragraph, and will not grant licenses thereunder to others on any more favorable terms or conditions, except the Biograph Company aforesaid, which is not to pay any such license fees or royalties; and will also grant a license to the Licensee to make and sell exhibiting or projecting machines under any other Letters Patent and containing the inventions described and claimed therein that the Licensor may hereafter acquire or control, upon the payment of additional license fees or royalties to be fixed by the Licensor, and subject to similar conditions and restrictions and the placing upon the machines of plates containing such conditions and restrictions as are provided for in this paragraph respecting exhibiting or projecting machines made and sold under the Letters Patent now owned by the Licensor mentioned in this paragraph, and that it will not grant such licenses to others on any more favorable terms or conditions.

It is mutually covenanted and agreed, however, by and between the Licensor and Licensee, that the Licensor shall have the right to grant and that it will grant, licenses to persons, firms and corporations upon their request (including the Licensee) to manufacture and sell exhibiting or projecting machines, containing the inventions described and claimed in the aforesaid Letters Patent now owned by the Licensor, capable of exhibiting or projecting, by reflected light, animated pictures on film of any width, but not capable of exhibiting or projecting the same by transmitted light, upon the payment of a royalty or license fee not to exceed 5 per cent. of the net retail selling price of each such machine, and upon the condition that they be used only in places where no admission fee is charged, which condition shall appear on a plate to be attached to each such machine; and also that it will grant licenses to such

persons, firms and corporations to manufacture and sell such exhibiting or projecting machines containing the inventions described and claimed in any Letters Patent that the Licensor may hereafter own or control, subject to similar conditions or restrictions and upon the payment of additional license fees or royalties to be fixed by the Licensor; the royalty or license fee, and all the conditions and restrictions of all such licenses, to be the same for the Licensee and such other licensees.

29. The Licensor further covenants and agrees that it will keep separate books of account showing all royalties or rents charged to or received, directly or indirectly, from all persons, firms or corporations for the use of any exhibiting or projecting machines containing any of the inventions described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, or any other Letters Patent hereafter acquired or controlled by the Licensor, which books of account shall, for the periods hereinafter provided for, be open to the inspection of the Licensee or its duly appointed agent or agents at all reasonable times.

The Licensor further covenants and agrees to render statements in writing to the Licensee within thirty days after June 20, 1913, June 20, 1914, and August 31, 1914, showing correctly all such royalties or rents collected by or paid to the Licensor during the two yearly periods ending June 20, 1913 and 1914, respectively, and the shorter period thereafter ending August 31, 1914, which statements shall be sworn to by an officer of the Licensor, if so requested by the Licensee, and to pay to the Licensee on the rendition of each such statement, a share of twenty-four (24) per cent. of such gross royalties or rents collected by or paid to the Licensor during the period covered thereby, by persons, firms or corporations for the use of exhibiting or projecting machines containing the inventions, or any of them, described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and any other Letters Patent hereafter acquired or controlled by the Licensor; which share shall be such proportion of said twenty-four (24) per cent. of said gross royalties or rents as the number of thousand running feet of motion pictures of a greater width than approximately one (1) inch on which the Licensor has actually charged and collected royalties from the Licensee during said period bears to the total number of thousand

running feet of such motion pictures on which the royalties hereinbefore provided for have actually been charged and collected by the Licensor from the Licensee and the additional Licensees during said period, after deducting the amount of such motion pictures of a greater width than approximately one (1) inch on which such royalties have been charged to and collected from the Biograph Company during said period, it being mutually understood and agreed that the said Biograph Company and the Edison Company are not to share in or be paid any part of said twenty-four (24) per cent. of said gross royalties or rents.

30. It is further mutually covenanted and agreed by and between the Licensor and Licensee that in case the Licensor should be notified by the Licensee or it should otherwise come to its knowledge that any such additional licensee has knowingly or through gross neglect or carelessness broken, violated or failed to perform any of the terms, conditions or stipulations of the license granted by the Licensor resulting in substantial injury to the Licensor, or the Licensee or the additional licensees aforesaid, the Licensor will promptly notify such licensee in writing of such breach, violation or non-performance, and if such licensee should, for a period of forty (40) days after such notice, persist in or fail to correct, repair or remedy the same, the Licensor shall at once terminate the license to such licensee; and that in case any such licensee should be guilty of a second grossly neglectful, careless or knowing breach, violation or non-performance of such terms, conditions or stipulations, resulting in substantial injury to the Licensor, or the Licensee or the additional licensees aforesaid, then, and in such case, the Licensor shall terminate the license to such licensee by giving the latter thirty (30) days' notice in writing of its intention so to do.

31. The Licensor and Licensee further mutually covenant and agree that by the expression "motion pictures" as used in this agreement, is meant transparent or translucent tape-like film having photographs thereon of objects in motion, embodying the inventions in said reissue No. 12,192.

32. It is further mutually covenanted and agreed by and between the Licensor and Licensee that unless sooner terminated, as hereinbefore or hereinafter provided, this agreement and the license granted thereby shall take effect June 20, 1912, and shall continue until June 20th, 1913, but that the Licensee may renew this agreement and license thereafter for another year ending June 20, 1914.

upon the same terms, conditions and stipulations as herein provided, by giving notice to the Licensors on or before May 20, 1913, of the Licensee's election to so renew this agreement and license, and upon the giving of such notice this agreement and the license thereby granted shall be considered and treated by the Licensors and Licensee as renewed for one year, ending June 20, 1914, and that the Licensee may again renew this agreement and license, upon the same terms, conditions and stipulations as herein provided, but only for the period from June 20th, 1914, to August 26th, 1919, the date of expiration of the Letters Patent No. 707,934, by giving notice to the Licensors on or before May 20, 1914, of the Licensee's election to so renew this agreement and license.

33. It is further mutually covenanted and agreed by and between the Licensors and Licensee that if, during said original term or during any such renewal period, either party should knowingly or through gross neglect or carelessness, be guilty of a breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, and should, for the period of forty (40) days after notice thereof from the other party, persist therein or fail to correct, repair or remedy the same, then and in such case the party aggrieved may terminate this agreement by giving notice in writing to the guilty party of its intention so to do. It is, however, mutually covenanted and agreed by and between the Licensors and Licensee that if the guilty party should correct, repair or remedy such breach, violation or non-performance of its covenants, conditions and stipulations within the said period of forty (40) days after such notice, and should, thereafter knowingly or through gross neglect or carelessness be guilty of a second breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, then and in such case, the party aggrieved may terminate this agreement by giving thirty (30) days' notice in writing to the guilty party of its intention so to do. Such termination of the agreement, however, shall not prejudice either party hereto in the recovery of damages because of any such breach, violation or non-performance by the other party hereto.

34. It is mutually covenanted and agreed by and between the Licensors, the Licensee and the Edison Company that the license agreement between the Licensee and the Edison Manufacturing Company, mentioned in Paragraph 2a, shall from the date hereof

be deemed suspended and shall not be acted under by any of the parties thereto during the continuance of this agreement, except that in case this license agreement shall be terminated for any breach, violation or non-performance of its covenants, conditions and stipulations, as hereinbefore provided, then simultaneously with such termination, said license agreement between the Licensee and the Edison Manufacturing Company shall be considered and be deemed terminated; and except further that any continuation of this agreement shall operate as a continuation in like manner of said agreement between the Licensee and the Edison Manufacturing Company, except that it shall not be continued beyond August 31, 1914, the date of the expiration of said reissued Letters Patent numbered 13,329 and 12,192. In case, however, the Licensors should become bankrupt, cease doing business or should be dissolved, voluntarily or otherwise, or its charter should be repealed, then on the happening of either of such events, the Licensors shall and will forthwith assign to the Edison Company, its successors and assigns, the entire right, title and interest in and to said reissued Letters Patent Nos. 13,329 and 12,192, and the inventions therein set forth, together with all claims and demands, both at law and in equity, that it may have for infringement of said reissued Letters Patent, or either of them, and also on the happening of either of such events, this agreement shall forthwith terminate and be at an end, and also, forthwith and simultaneously with such termination (if before August 31, 1914), said agreement between the Licensee and the Edison Manufacturing Company, if the same has not terminated as hereinbefore provided, shall be and become of full force and effect, subject to continuation and termination thereof as therein provided.

35. It is further mutually covenanted and agreed by and between the Licensors, the Licensee and the Edison Company, that the agreement between the Licensors, the Licensee and the Edison Manufacturing Company, referred to in paragraph 2b, together with any and all agreements modifying the same, be, and the same hereby is terminated as of June 19, 1912.

36. All notices provided for in this agreement shall be in writing and shall be given by delivering the same to the Licensors or Licensee, as the case may be, or to an officer of the Licensors or Licensee, as the case may be, or by depositing such notice, postage prepaid, in any Post-office of the United States, in a sealed envelope directed to the Licensors or the Licensee, as the case may be, at its

last known Post-office address, to be forwarded by registered mail.

37. It is mutually covenanted and agreed by and between the Licensor and Licensee that after notice of the termination of this agreement and the license granted thereby by either party, as provided for in Paragraphs 26 and 33, and after the same have been terminated, no matter what the cause or manner of termination may be, neither this license agreement, nor the fact that the Licensee has entered into or acted under it, shall be used in any manner, directly or indirectly, by or for the Licensor, its successors, assigns or legal representatives, or by or for others with its or their consent or permission, against the Licensee, or the Licensee's successors or legal representatives, in any litigation, controversy or proceeding involving the Licensee or them or any other persons, firms or corporations, or in any other way; it being understood and agreed that upon such termination the positions and rights of the Licensor and Licensee shall be the same as if this agreement had not been made; *provided, however,* that the rights of neither party shall be prejudiced by such termination in the recovery of damages for any breach or other violation of this agreement by the other occurring prior to such termination.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENTS COMPANY,

By

Attest:

.....
President.

.....
Secretary.

THOMAS A. EDISON, INC.,

By

Attest:

.....
President.

.....
Secretary.

.....
.....
.....

92, 93, 94, 95.

The four new additional tri-partite License Manufacturers Agreements under the Camera and Film Patents
between

Motion Picture Patents Company,
Thomas A. Edison, Inc.
and

Kalem Company, Inc.,
Lubin Manufacturing Company,
Selig Polyscope Company,
and

The Vitagraph Company of America,
all dated the 6th day of June, 1912,

are identical in terms with the foregoing New License Agreement under said Patents between said Motion Picture Patents Company, Thomas A. Edison, Inc., and the Essanay Film Manufacturing Company, ante p. 508.

96.

LICENSE AGREEMENT.

(1) THIS AGREEMENT, made this 6th day of June, 1912, by and between MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Orange, in said State, party of the first part (hereinafter referred to as the Licensor); and GEORGE KLEINE, of Chicago, Illinois, party of the second part, (hereinafter referred to as the Licensee), WITNESSETH that:

(2) WHEREAS, the Licensor represents that it is organized to own, deal in and grant licenses under Letters Patent pertaining to the Motion Picture Art, and that it is the owner of all the right, title and interest in and to the following United States Letters Patent, all relating to improvements in the motion picture art:

No. 578,185, dated March 2, 1897, for Vitascope, granted to Thomas Armat;

No. 580,749, dated April 13, 1897, for Vitascope, granted to Thomas Armat;

No. 586,953, dated July 20, 1897, for Phantoscope, granted to Charles F. Jenkins and Thomas Armat;

No. 588,916, dated August 24, 1897, for Kinetoscope, granted to Charles M. Campbell as the assignee of Willard G. Steward and Ellis F. Frost;

No. 629,063, dated July 18, 1899, for Kinetoscopic Camera, granted to American Mutoscope Company as the assignee of Herman Casler;

No. 673,329, dated April 30, 1901, for Kinetoscope, granted to The American Vitagraph Company as the assignee of Albert E. Smith;

No. 673,992, dated May 14, 1901, for Vitascope, granted to Thomas Armat;

No. 707,934, dated August 26, 1902, for Projecting Kinetoscope, granted E. & H. T. Anthony & Co. as assignees of Woodville Latham;

No. 722,382, dated March 10, 1903, for Animated Picture Apparatus, granted to American Mutoscope & Biograph Company as the assignee of John A. Pross;

No. 744,251, dated November 17, 1903, for Kinetoscope, granted Albert E. Smith;

No. 12,192, granted January 12, 1904, for Kinetoscopic Film, granted to Thomas A. Edison, the same being based on letters patent numbered 589,168, dated August 31, 1897;

No. 770,937, dated September 27, 1904, for Kinetoscope, granted the Vitagraph Company of America, as the assignee of Albert E. Smith;

No. 771,280, dated October 4, 1904, for Winding-Reel, granted Albert E. Smith;

No. 785,205, dated March 21, 1905, for Flame-Shield for Kinetoscopes, granted The Vitagraph Company of America as the assignee of William Ellwood;

No. 785,237, dated March 21, 1905, for Film-Holder for Kinetoscopes, granted The Vitagraph Company of America as the assignee of Albert E. Smith; and

No. 13,329, dated December 5, 1911, for Kinetoscope granted to the Licensor as assignee, by mesne assignments of Thomas A. Edison, the same being also a reissue of letters patent No. 589,168, aforesaid, and for the invention set forth in a previous reissue thereof numbered 12,037, dated September 30, 1902;

and that there are no licenses, shop-rights or other rights outstanding, to any person, firm or corporation engaged in the business of manufacturing and selling or leasing motion pictures, to manufacture and sell or lease to others motion pictures embodying the inventions of said reissued letters patent No. 12,192, or to manufacture or use in carrying on such business cameras embodying the inventions of said reissued letters patent No. 13,329, and said letters patent Nos. 629,063 and 707,934, except to the General Film Company, a Maine corporation, granted on or about April 21, 1910, of which the Licensee has knowledge, and except as follows:

(2a) A certain license granted under said reissued letters patent Nos. 12,037 and 12,192 by the Edison Manufacturing Company of Orange, New Jersey, (predecessor in business of Thomas A. Edison, Incorporated, a corporation of New Jersey, of Orange, New Jersey, said Thomas A. Edison, Incorporated, being hereinafter referred to as the Edison Company), to Pathe Freres, of New York, under an agreement in writing between it and the latter, dated May 20, 1908, and taking effect June 20, 1908, and certain other licenses granted, under said reissued letters patent, by said Edison Manufacturing Company to the Kalem Company, of New York, the

Essanay Company, of Chicago, Siegmund Lubin, of Philadelphia, Gaston Melies, of New York (for himself and as attorney for George Melies, of Paris, France), Selig Polyscope Company of Chicago, and the Vitagraph Company of America, of New York, under agreements in writing between said Edison Manufacturing Company and said several licensees, dated January 31, 1908; which said agreements, dated May 20, 1908, and January 31, 1908, (except that to which Gaston Melies was a party) were suspended by the parties thereto in and by the license agreements next referred to, to which said licensees (or their successors) were parties; and

(2b) Certain licenses granted, under said reissued letters patent Nos. 12,037 and 12,192, and said letters patent Nos. 629,063 and 707,934, by the Licensor, to Edison Manufacturing Company aforesaid (predecessor of the Edison Company aforesaid), Biograph Company, of New Jersey, Essanay Film Manufacturing Company, of Illinois, Kalem Company aforesaid, Siegmund Lubin, aforesaid (succeeded by Lubin Manufacturing Company of Pennsylvania), Pathe Freres aforesaid, Selig Polyscope Company aforesaid, and Vitagraph Company of America aforesaid, under agreements in writing between the Licensor and said several licensees dated December 18, 1908, at which time a certain license was also granted by the Licensor, under said reissued letters patent No. 12,192, to the Licensee, which, however, did not include the right to manufacture motion picture negatives nor the right to manufacture or use such cameras as aforesaid, and also a license to Gaston Melies (for himself and as attorney for George Melies, of Paris, France) dated July 20, 1909; and

(3) WHEREAS, the Licensor and the Licensee are desirous of terminating the license agreement between the Licensor and the Licensee referred to in Paragraph (2b) together with any and all agreements modifying the same; and

(4) WHEREAS, the Licensee is engaged in the importation of negative and positive motion pictures into the United States, its territories, dependencies and possessions (hereinafter called the "territory aforesaid"), and represents that he does and will control, by exclusive agency contracts, the importation into the United States, of motion picture films made and sold by the Societa Italiana Cines, of Rome, Italy, under the trade-mark or trade name of "Cines," and by the Charles Urban Trading Company, Ltd., of London, England, and the Societe Generale des Cinematographes "Eclipse," of Paris,

France, under the trade-mark or trade name of "Urban-Eclipse," and, relying upon the aforesaid representations of the Licensor, and induced thereby, desires to obtain from the Licensor a license under said reissued Letters Patent numbered 12,192, and to lease positive motion pictures, for use in exhibiting or projecting machines containing the inventions, or any of them, described and claimed in said Letters Patent Nos. 578,185., 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and to sell positive motion pictures on film of a width approximately one (1) inch or less in certain territory and on film of any width in certain territory;

(5) NOW THEREFORE, the parties, hereto, for and in consideration of the sum of One Dollar to each in hand paid by the other, and for other good and valuable considerations from each to the other moving, receipt of all of which is hereby acknowledged, have agreed as follows:

(6) The Licensor hereby grants to the Licensee for the term and subject to the covenants, conditions and stipulations hereinafter expressed, only the right and license under said reissued Letters Patent No. 12,192, for the "territory aforesaid," to import positive motion pictures and to import negative motion pictures and print positive motion pictures therefrom in the United States, such negative or positive motion pictures so imported to be manufactured by the Societa Italiana Cines, of Rome, Italy, and by the Charles Urban Trading Company, Ltd., of London, England, and the Societe Generale des Cinematographes "Eclipse" of Paris, France, and to be of the kind now manufactured by the said companies, and now imported into the United States by the Licensee under the trade-marks or trade names "Cines" and "Urban-Eclipse," and to be limited to the amount of three thousand (3,000) running feet of new subjects per week except as hereinafter provided, and the said three thousand (3,000) feet to be divided among the kinds or makes which the Licensee is hereby permitted to import in the following proportions:

"Cines" two thousand (2,000) feet.

"Urban-Eclipse" one thousand (1,000) feet.

These quantities, with a permitted variation of two hundred (200) feet in each quantity, shall be constant during the continuation of this license, and in no case, except as hereinafter provided, shall

the total amount or quantity imported or printed and offered for lease in any one month be in excess of an average of three thousand (3,000) feet of new subjects per week. The Licensor further agrees that, in addition to the three thousand (3,000) running feet of new subjects per week aforesaid, which the Licensee is hereby licensed to import or print and offer for lease, the Licensee may also import negative motion pictures of special subjects of more than one thousand five hundred (1,500) running feet in length and made by any of the foreign manufacturers whose product the Licensee is hereby licensed to import, such importation to be made only after each such special subject has been approved by the Licensor and the importation of the negative therefor has been authorized in writing by the Licensor, and that the Licensee may make, (or with the Licensor's consent, have made for him by one of the other licensees referred to in Paragraph 26 thereof), and lease or sell, under the terms and conditions of this agreement, positive motion pictures from such negative motion pictures so imported. The Licensee is hereby further licensed to lease the said imported or printed positive motion pictures in the United States, its territories, dependencies and possessions, (with the exceptions of its insular possessions and Alaska), hereinafter referred to as the "lease territory aforesaid," on film of a greater width than approximately one (1) inch, upon conditions that they be used solely in exhibiting or projecting machines containing the inventions or some of them of said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and licensed by the Licensor, and to sell or lease positive motion pictures embodying the invention of said reissued Letters Patent No. 12,192, on film of a width approximately one (1) inch or less in the "lease territory aforesaid" and on film of any width in or for use in said insular possessions and Alaska and foreign countries, hereinafter referred to as "said export territory" shipments thereto and sales and leases therefor being hereinafter referred to as "for export."

The license hereby granted is personal to the Licensee, and in the event of the Licensee's permanent discontinuance of business or retirement therefrom for a period of six consecutive months, the license hereby granted shall be immediately terminated.

The Licensee agrees that he will in good faith use every endeavor to prevent others than himself from importing in any manner into

the "territory aforesaid," the motion pictures made by the companies whose product he is hereby licensed to import, and the Licensee further agrees that if he shall knowingly, or by failure to exercise reasonable care, import or permit to be imported, motion pictures other than those of the kind or makes which he is hereby licensed to import, or motion pictures which purport to be the kind or make which he is hereby licensed to import, but which are in fact those of another kind or make, the license hereby granted shall be terminated and cancelled upon the notice hereinafter provided. The Licensee further agrees that, if he shall cease to control the importation of the motion pictures manufacturer by the said foreign manufacturers or either of them, and to be the exclusive sales agent in the United States therefor, by reason of any breach of any condition or stipulation provided in the contract for such exclusive agency made by and between the Licensee and either of the said foreign manufacturers, the license hereby granted to the Licensee to import motion pictures of the particular kind or make manufactured by the foreign manufacturer whose contract has been broken, shall be terminated and cancelled by the Licensor upon the notice hereinafter provided. The Licensee further agrees that if either of the foreign manufacturers of the kind or makes of positive motion pictures which the Licensee is hereby licensed to import, shall import, or shall knowingly permit or knowingly be a party to the importation of motion pictures by other than the Licensee, without the Licensee's knowledge and consent, or shall manufacture motion pictures in the United States without the Licensee's consent, the license hereby granted to import motion pictures of the particular kind or make manufactured by said foreign manufacturer may be terminated and cancelled by the Licensor, upon the notice hereinafter provided. It is further understood and agreed that if the license hereby granted to import the motion pictures manufactured by either of the said foreign manufacturers is terminated by reason of the fault of the said foreign manufacturer, but not of the Licensee, then, and in that event, the Licensee shall have the right to import the motion pictures manufactured by another foreign manufacturer under the conditions, stipulations and limitations herein provided for the product of the foreign manufacturer, the license to import the product of which has been terminated.

(7) The Licensor, for itself, its successors, assigns and legal representatives, hereby releases, acquits and discharges the Licensee

from any and all claims, demands and liability for profits and damages, because of any infringement by the Licensee of any or all of the aforesaid United States Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and reissued Letters Patent No. 12,192, or use by the Licensee of the inventions, or any of them, covered by said Letters Patent or either of them prior to the date hereof.

(8) The Licensee hereby recognizes and admits the validity of said reissued Letters Patent No. 12,192, and Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and the Licensee agrees not to contest or question the same during the continuance of this agreement.

(9) The Licensee further covenants and agrees that he will, within fifteen (15) days after the twentieth (20) day of each month after this agreement takes effect, and during its continuance, submit a statement in writing, signed by the Licensee and sworn to, if requested by the Licensor, showing the total number of running feet of positive motion pictures sold and leased by the Licensee for use in the "territory aforesaid," as well as the total number of running feet of negative motion pictures used by him in the "territory aforesaid" in the production of positive motion pictures sold or leased by the Licensee, during the period from the twentieth (20) day of the preceding calendar month, to the twentieth (20) day of the month for which such statement is submitted, and will at the same time pay to the Licensor the royalties due on said amounts of motion pictures according to the minimum rate of royalty hereinafter provided for, and will, after each year ending June 20, pay to the Licensor the additional royalties due thereon according to the royalty schedule provided for in Paragraph 10. The Licensee further covenants and agrees to keep correct books of account and to permit the Licensor to determine, by examination thereof, at all reasonable times and through any reputable chartered accountants to be selected by the Licensor, the number of running feet of positive motion pictures so leased and sold and negative motion pictures so used by the Licensee while this agreement is in effect, if the Licensor should so desire.

(10) The Licensor and the Licensee further mutually covenant and agree that the Licensor shall charge to and receive from

the Licensee, and the Licensee shall pay to the Licensor, on all positive motion pictures on film of a width of approximately one and three-eighths ($1\frac{3}{8}$) inches, leased and sold by the Licensee in the "territory aforesaid" as well as negative motion pictures used (as defined in paragraph 9) by the Licensee, in the "territory aforesaid," royalties not exceeding, during any year counting from June 20, 1912, the following rates, that is to say:

If the total number of running feet of positive motion pictures so leased and sold and negative motion pictures so used by the Licensee shall be four million (4,000,000) running feet or less, a royalty of one-half ($\frac{1}{2}$) a cent per running foot on the total number of running feet so leased, sold and used for that year; if such total number of running feet shall exceed four million (4,000,000) running feet but not exceed six million (6,000,000) running feet, a royalty of four and one-half ($4\frac{1}{2}$) mills per running foot on the total number of running feet so leased, sold and used for that year; if such total number of running feet shall exceed six million (6,000,000) running feet but not exceed eight million (8,000,000) running feet, a royalty of four (4) mills per running foot on the total number of running feet so sold, leased and used for that year; if such total number of running feet shall exceed eight million (8,000,000) running feet but not exceed ten million (10,000,000) running feet, a royalty of three and three-quarter ($3\frac{3}{4}$) mills per running foot on the total number of running feet so leased, sold and used for that year; and if such total number of running feet shall exceed ten million (10,000,000) running feet, a royalty of three and one-quarter ($3\frac{1}{4}$) mills per running foot on the total number of running feet so sold, leased and used for that year.

And for motion pictures on film narrower or wider than approximately one and three-eighths inch ($1\frac{3}{8}$ in.), the above mentioned royalty rates shall be reduced or increased in proportion to the reduction or increase in width of such narrower or wider film below or above the width of approximately one and three-eighths inch ($1\frac{3}{8}$ in.).

The Licensor and Licensee further agree that in the first instance, as provided in paragraph 9, the Licensee shall pay to the Licensor royalties according to the minimum rate (three and one-quarter ($3\frac{1}{4}$) mills per running foot) aforesaid; that the Licensor shall, after each year ending June 20, adjust, according to the royalty

schedule aforesaid, the royalty account of the Licensee as to the total number of running feet so sold, leased and used during such year ending June 20th and on which royalties have been charged and collected by the Licensor and paid by the Licensee during such year; and that the Licensee shall, within twenty (20) days after such adjustment and notice thereof to it by the Licensor, pay to the Licensor the balance of the royalties due by it to the Licensor according to such adjustment.

(11) The Licensor and Licensee further mutually covenant and agree that no royalty other than or in addition to that provided for in the preceding paragraph shall be charged to or collected from the Licensee by the Licensor under said reissued Letters Patent No. 12,192 up to June 20th, 1913, or during any renewal of this agreement up to August 31, 1914, the date of the expiration of said reissued Letters Patent Nos. 13,329 and 12,192, and no royalty whatever shall be charged to or collected from the Licensee by the Licensor under said Letters Patent after either the first, second and third claims of said reissued Letters Patent No. 13,329, and either of the claims of said reissued Letters Patent No. 12,192, in any suit, as hereinafter provided for, for infringement thereof, are held invalid by a court that last hears and decides such suit, or after August 31, 1914, during any renewal of this agreement; and that the Licensor shall charge royalties or rents for the use of all exhibiting or projecting machines capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, containing the inventions, or any of them, described and claimed in the aforesaid Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, licensed by the Licensor and that all such royalties or rents shall be collected by the Licensor, directly or indirectly, from the exhibitors using such machines, and shall be fixed by the Licensor and charged to and so collected from such exhibitors by the Licensor at such a rate as to average as nearly as possible a royalty or rental of Two Dollars (\$2.00) per week for each such licensed machine in use.

(12) The Licensee further covenants and agrees not to lease, loan, rent out, sell or offer for sale, or otherwise dispose of in the "territory aforesaid," without the consent in writing of the Licensor, motion pictures to any one purchasing or otherwise obtaining, leasing, using, loaning, renting out, selling, offering for sale, or other-

wise disposing of or dealing in, motion pictures containing the invention of said reissued Letters Patent No. 12,192, not the output of the Licensee or other licensees under said letters patent.

(13) The Licensee further covenants and agrees that on the title of each subject of positive motion pictures on film of a greater width than approximately one (1) inch leased by the Licensee in the "lease territory aforesaid," there shall be photographically printed the trade-mark of the manufacturer of the negative of the said motion picture, and that he will mark conspicuously on the labels which shall be placed on boxes or packages containing positive motion pictures on film of a greater width than approximately one (1) inch leased by the Licensee in the "lease territory aforesaid," the following words and figures:

LICENSED MOTION PICTURE

Leased by and Property of

GEORGE KLEINE,

Chicago, Ill., U. S. A.

(Patented in the United States August 31, 1897;
reissued January 12, 1904.)

The enclosed motion picture is leased only and upon the following terms and conditions:

1. That the lessee shall not sell or otherwise dispose of the same outright, but shall have only the right to sub-let or use such motion picture.

2. That the lessee shall permit such motion picture to be exhibited only on motion picture projecting machines licensed by the Motion Picture Patents Company of New Jersey under its patents covering such projecting machines.

3. That the lessee shall not have the right to sub-let such motion picture until such lessee has entered into an agreement in writing with the Motion Picture Patents Company containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect.

4. That the lessee or user thereof shall not make or permit others to make any reproduction commonly known as a "dupe," of such motion picture or any other motion picture containing the inventions of the above reissued patent.

5. That the lessee or user thereof shall not remove the trade-mark or trade name or title therefrom.

6. That the violation of any of the foregoing conditions, including the terms and conditions of the agreement referred to in 3, entitles the lessor to immediate possession of this motion picture without liability for any price which the lessee or the person in whose possession it is found, may have paid therefor.

(14) The Licensee further covenants and agrees not to use, in the production of negative or positive motion pictures, under this agreement, the negative or positive motion pictures (or reproductions commonly known as "duplicates" of the negative or positive motion pictures) of any other manufacturer or person, firm or corporation (except those manufacturers referred to in Paragraph 6 hereof, whose product the Licensee is licensed to import) located either in the "territory aforesaid" or in any foreign country, whether the same have or have not been copyrighted in the "territory aforesaid" or in any foreign country.

By the expression "running feet of new subjects" as herein used, the parties hereto agree, is meant the aggregate amount ascertained by adding together the individual number of running feet of one print of each and every new motion picture on film of a greater width than approximately one (1) inch, regularly listed and offered for lease in the "lease territory aforesaid."

(15) The Licensor has established the following scale of minimum prices (which the Licensee admits is a fair and reasonable one) for the lease of positive motion pictures on film of a greater width than approximately one (1) inch in the "lease territory aforesaid," embodying the invention of said reissued Letters Patent No. 12,192:

MOTION PICTURES ON ORDINARY FILM.

List	13	cents per running foot.
Standing Order	11	" " " "
Topical Pictures	9	" net per running foot.
Films leased between two and four months after release date.....	9	" per running foot.
Films leased between four and six months after release date.....	7	" net per running foot.
Films leased after six months after release date	any	price net.

MOTION PICTURES ON NON-INFLAMMABLE FILM.

List	14	cents per running foot.
Standing Order	12	" " " "

A rebate of 10 per cent. may be allowed on all of the above prices except on the 9 cent price for Topical Pictures and on the 7 cent price and lower prices which are net; said rebates to be due and payable between the 1st and 15th days of each of the months of March, May, July, September, November and January, on all motion pictures leased during the two months preceding each said period, provided all the terms and conditions of the agreement referred to in clause (3) of Paragraph 23 have been faithfully observed.

The Licensor and Licensee further mutually covenant and agree that the Licensor shall fix and determine the minimum lease prices at which such motion pictures shall be leased by the Licensee in the "lease territory aforesaid," and shall change such scale of minimum prices from time to time as in its judgment market conditions may require; and the Licensee further agrees that any changes which may hereafter be made in said scale of prices, and of which the Licensee shall be notified in writing by the Licensor, shall be accepted and adopted by the Licensee in the place and stead of the scale of prices above given or of any substitute of substitutes therefor adopted prior to such change, each such notice to be given to the Licensee at least three weeks in advance of the change to be made.

(16) The Licensor and Licensee further mutually covenant and agree that an order in the "lease territory aforesaid," for one or more such positive motion pictures of each and every new subject imported or printed by the Licensee (except chrono-photographic subjects and other special subjects that are announced and advertised as special by the Licensee and of which no copy or print is leased by the Licensee for less than list price within two (2) months after release date) when offered for lease in the regular order of business, shall constitute a "standing order" within the meaning of the scale of prices aforesaid or any substitute therefor hereafter adopted, said standing order to remain in force for not less than twenty-one (21) consecutive days; and the parties hereto further mutually covenant and agree that the minimum price at which any additional positive motion picture shall be leased, in the "lease territory aforesaid," subsequent to the filling of a standing order, shall be fixed by the Licensor, and the latter hereby fixes such price as the same per running foot as the pictures furnished on such

standing order, unless otherwise provided for in the scale of prices aforesaid or any substitute therefor hereafter adopted. The Licensor and Licensee further mutually covenant and agree that all such positive motion pictures which may be hereafter leased in the "lease territory aforesaid," to persons not having a standing order, as above defined, shall in every case be leased at not less than the list price mentioned in said scale of prices or any substitute therefor hereafter adopted by the Licensor, except as provided for in Paragraph 18 as to "special motion pictures."

(17) The Licensor and Licensee further mutually covenant and agree that such positive motion pictures imported or printed by the Licensee, and not leased or sold prior to June 20, 1912, shall be subject to the scale of prices aforesaid, and shall be leased in the "lease territory aforesaid," at not less than the prices fixed in said scale of positive motion pictures as provided for in Paragraphs 15 and 16.

(18) The Licensor and Licensee further mutually covenant and agree that in the case of so-called "special motion pictures" (where it is agreed by the Licensee, that the negative shall be the exclusive property of the person ordering the same, although remaining in the care and custody of the Licensee, and where positive prints therefrom shall be made from time to time, on the order of such person), the price at which positive prints therefrom shall be leased in the "territory aforesaid," shall not be less than fifteen (15) cents per running foot; and it is further agreed by the Licensor and the Licensee that the Licensee shall not, without the consent of the Licensor, lease more than five (5) prints of any such negative in any one year.

(19) The Licensee further covenants and agrees not to lease such motion pictures in the "lease territory aforesaid," under any circumstances, either directly or indirectly, during the continuance of this agreement, at lower prices than those fixed and established as provided for in Paragraphs 15, 16, 17 and 18.

(20) It is further mutually covenanted and agreed by the Licensor and Licensee that the Licensee shall have the right to sell or otherwise dispose of motion pictures in or for "said export territory," and that the prices above referred to in Paragraphs 15, 16, 17 and 18, or any substitute or substitutes for the same hereafter adopted by the Licensor, shall not apply to sales or shipments of

motion pictures made *bona fide* for export, when the goods, addressed to the purchaser, agent or consignee, are delivered to the vessel or to a transportation company for transportation to "said export territory," and not otherwise.

The Licensor and the Licensee further mutually covenant and agree that in no case shall sales or shipments "for export" of motion pictures be knowingly made by the Licensee to persons, firms or corporations who such Licensee has reason to believe will reimport them into the "lease territory aforesaid" for sale or use.

(21) The Licensor and the Licensee further mutually covenant and agree that the Licensee shall not sell or otherwise dispose of any negative motion pictures, nor sell or lease or offer for sale or lease, in the "territory aforesaid" at reduced prices, motion pictures, on film of a greater width than approximately one (1) inch which are second-hand, or which have been used or which have become shop-worn or in any way damaged; but this provision shall not prevent the Licensee from selling as refuse in the "territory aforesaid" second-hand positive or negative motion pictures or motion pictures which have been used or become shop-worn or in any way damaged, to a manufacturer to manufacture other articles than motion pictures therefrom, but only after they have been rendered by the Licensee unsuitable for use as motion pictures by cutting or otherwise defacing them; or from selling exposed positive or negative film (either waste or in reels) known as "blank" film for use by dealers, renters or exhibitors for leaders or for spacing or for similar purposes, but which shall not and cannot be otherwise employed for the exhibition of motion pictures.

(22) The Licensor and the Licensee further mutually covenant and agree that in the "lease territory aforesaid" all leases of positive motion pictures by the Licensee shall be at the prices hereinbefore provided for, without the allowance of any discounts or rebates or other reduction by which a lessee might acquire positive motion pictures at lower prices than those set forth in Paragraphs 15, 16, 17 and 18, or any substitutes therefor hereafter adopted by the Licensor, and that the Licensee will not dispose of such positive motion pictures as premiums, or by lottery, or raffle, or any game of chance, or in any way whereby they may be acquired directly or indirectly for less than the prices set forth in Paragraphs 15, 16, 17 and 18, or substitutes therefor.

The Licensee further covenants and agrees that, in the "lease territory aforesaid," the Licensee will not sell or offer for sale other goods or merchandise at less than current prices in order to induce the lease of positive motion pictures, nor present or donate other goods or merchandise or prizes, or make use of credit cards or trading stamps, or offer any premiums of any kind whatsoever to induce the lease of such positive motion pictures.

(23) It is further mutually covenanted and agreed by and between the Licensor and Licensee that no lease of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be made in the "lease territory aforesaid" by the Licensee, except upon and subject to the following terms and conditions, the substance of which (with the exception of the conditions as to the return of positive motion pictures hereinafter referred to) shall be expressed in a printed notice on the labels, as provided for in Paragraph 13, accompanying each positive motion picture, namely, (1) that the lessee of such positive motion picture shall not sell or otherwise dispose of the same outright, but shall only have the right to use such positive motion picture in giving motion picture exhibitions in machines licensed by the Licensor under the said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, or one or more of them, or under any other Letters Patent that it may hereafter acquire or control, or to sub-lease such motion picture for use in such machines; and (2) that the lessee shall not make or permit others to make any reproduction commonly known as a "dupe" of such positive motion picture or any other positive motion picture containing the invention of said reissued Letters Patent No. 12,192; and (3) that the lessee shall not sub-lease the same or any other positive motion picture on film of a greater width than approximately one (1) inch containing the invention of said reissued Letters Patent No. 12,192, for use in giving motion picture exhibitions, until such lessee has entered into an agreement in writing with the Licensor containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect; and (4) that the lessee of such positive motion picture shall not remove the trade-mark or trade-name or title therefrom; and (5) that the lessee shall return to the Licensee

(without any payment therefor except the transportation charges incident to the return of the same) on the first day of every month, beginning with July, 1912, an amount of positive motion pictures (on film of a greater width than approximately one (1) inch) in running feet (not leased by the Licensee over six months before) and of the make of the Licensee, equal to ninety per cent. (90%) of the amount that was so leased during the seventh month preceding the date of each such return, with the exception, however, that where any such positive motion pictures are destroyed by fire or lost in transportation, and proof satisfactory to the Licensee is furnished as to such destruction or loss, the amount so destroyed or lost shall be deducted from the amount to be returned as aforesaid; and (6) that the violation of any of the foregoing conditions, including the terms and conditions of the agreement referred to in condition 3 above, entitles the lessor to immediate possession of such motion picture without liability for any price which the lessee, or the person in whose possession it is found, may have paid therefor.

The Licensee further covenants and agrees that in the "lease territory aforesaid" the Licensee will not discriminate in favor of any lessee, or place upon any motion pictures any restrictions, other than those specified in this paragraph and Paragraph 13, unless authorized by the Licensor.

(24) The Licensee covenants and agrees that in the "lease territory aforesaid" the Licensee will dispose of the positive motion pictures, on film of a greater width than approximately one (1) inch, imported or printed by the Licensee, only by the sale "for export" and shipment thereof into "said export territory," or by the lease thereof to others for the purpose only of either sub-leasing the same to persons, firms or corporations using such motion pictures for giving exhibitions thereof in exhibiting or projecting machines licensed by the Licensor containing the inventions or some of them, described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, or in Letters Patent hereafter acquired or controlled by the Licensor, or of using the same in such machines so licensed; and will not use the same for the purpose of giving exhibitions thereof for profit, directly or indirectly; it being expressly understood and agreed by and between the Licensor and Licensee, however, that the Licensee shall be at

liberty to give exhibitions of such positive motion pictures without profit, directly or indirectly, and to possible or prospective lessees or purchasers thereof; and the Licensee further covenants and agrees not to knowingly allow positive motion pictures, on film of a greater width than approximately one (1) inch, imported or printed by the Licensee under this agreement, to be leased for use with any exhibiting or projecting machine not licensed by the Licensor under the Letters Patent mentioned in this paragraph, and that it may hereafter acquire or control, or one or more of them, except by and with the consent of the Licensor; and also to refrain from supplying such motion pictures for use with any exhibiting or projecting machine, the license for which, under the aforesaid Letters Patent, or one or more of them, has been terminated, and the Licensee has been notified thereof by the Licensor; and also to refrain from supplying such motion pictures to any lessee who may sublet such motion pictures to persons, firms or corporations using the same for giving exhibitions thereof in exhibiting or projecting machines not licensed by the Licensor as aforesaid, or the license for which has been terminated and the Licensee has been notified by the Licensor that any such lessee continues to so sublet such motion pictures after being notified by the Licensor not to do so; and the Licensor covenants and agrees to promptly notify any such lessee who may so sublet such motion pictures, after it has knowledge of any such subletting, and to notify the Licensee and the additional licensees hereafter provided for, or such of them as may at the time be licensees, of the termination of any license for the use of any exhibiting or projecting machines under the aforesaid Letters Patent, or any of them, and of any such lessee who may so sublet such motion pictures, after being notified by it not to do so, and to compel all such additional licensees to refrain from supplying motion pictures for use with any such exhibiting or projecting machine, the license for which has been so terminated, or to any such lessee.

(25) The Licensor and Licensee further mutually covenant and agree that the Licensor shall and will, during the continuance of this agreement, promptly institute suits against any and all infringers of the Letters Patent, or any of them, mentioned in this agreement, on the request of a majority of the licensees, including the Licensee and the several additional licensees hereinafter pro-

vided for, or such of them as may at the time be licensees, and will thereafter diligently prosecute any such suit or suits to final hearing and decision; all expense connected with the institution and prosecution of such suit or suits to be borne by the Licensor, who shall also be entitled to receive and apply to its own use all recoveries had therein for damages and profits.

The Licensor and Licensee further mutually covenant and agree that if, in case any such suit is brought upon said reissued Letters Patent Nos. 13,329, 12,192, or said Letters Patent Nos. 586,953, or 707,934, either of the claims of said reissued Letters Patent No. 12,192 or either of the first, second or third claims of said reissued Letters Patent No. 13,329, or any of the claims in issue in any such suit upon said Letters Patent Nos. 586,953, or 707,934, is or are held invalid by a court that last hears and decides such suit, or should be held by such court not to be infringed, then, and in any such case, the Licensee may at once terminate this agreement and the license thereby granted, by giving notice of its election so to do to the Licensor.

The Licensor and Licensee further mutually covenant and agree that the Licensor may, at its own expense (except as hereinafter provided) during the continuance of this agreement, institute and prosecute suits against any of the several additional licensees hereinafter provided for, for any breach or violation on the part of any such licensee of the covenants respecting prices at which positive motion pictures shall be leased in the "lease territory aforesaid," and also for violation of any of the other terms, conditions or stipulations entered into by such licensee; that the Licensor shall at the end of each year, counting from June 20, 1912, render to the Licensee a statement in writing showing in detail all legal expenses incurred by it during such year in the prosecution of such suit or suits; and that up to, but not exceeding the sum of Twenty Thousand Dollars (\$20,000) for any such year, all such legal expenses, insofar as they may be reasonable and proper, shall be borne and paid by the Licensee and the several additional licensees hereinafter provided for, *pro rata* according to the number of thousand running feet of new subjects offered for lease or sale by each relatively to the total number of thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale by all in the "territory aforesaid," during

the year preceding the rendition of such statement, any legal expenses in excess of said Twenty Thousand Dollars (\$20,000) during any such year to be borne and paid by the Licensor unless the Licensor and the Licensee and the several additional licensees hereinafter provided for should hereafter mutually agree otherwise.

(26) It is mutually covenanted and agreed by and between the Licensor and the Licensee that the Licensor may grant other licenses under said reissued Letters Patent No. 12,192, said licenses to be in writing and not to exceed nine (9) in number, and to be to the persons and corporations (or their successors in business) mentioned in Paragraph (2b) as having license agreements with the Licensor (except by a majority vote of the Licensee and the nine (9) other licensees, or such of them as may be at the time licensees, on the basis of one vote for each thousand running feet of new subjects on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid" by such licensees during the year preceding the taking of such vote); provided, however, that if any of such additional nine (9) licenses should be terminated, during the continuance of this agreement, then and in each such case, the Licensor may grant a license in writing to some other motion picture manufacturer.

(27) It is further mutually covenanted and agreed by and between the Licensor and the Licensee that the Licensor will, during the continuance of this agreement, license such a number of persons, firms or corporations under said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, to make and sell exhibiting or projecting machines containing the inventions described and claimed in the same, capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, and also such machines not capable of exhibiting or projecting motion pictures on film of a greater width than approximately one (1) inch, as will be able to supply the demand for the same; and that it shall not, and it hereby covenants and agrees that it will not, during the continuance of this agreement, license any person, firm or corporation under said Letters Patent or any of them to make or sell any such exhibiting or projecting machine containing any of the inventions described and claimed in said Letters Patent, and capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1)

inch, except upon the conditions and restrictions that the sale and purchase of such machine gives only the right to use it solely for exhibiting or projecting motion pictures containing the inventions of said reissued Letters Patent No. 12,192, and licensed by the Licensor, while it owns or controls the Letters Patent under which such machine is licensed and upon other terms to be fixed by the Licensor while in use, and while the Letters Patent under which it is licensed are owned or controlled by the Licensor (which other terms shall only be the payment of a royalty or rental to the Licensor while in use, as hereinbefore provided for), and that there shall be attached to each such machine, in a conspicuous place, a plate, which is not to be removed therefrom, showing plainly, not only the dates of the Letters Patent under which it is licensed, but also the aforesaid conditions or restrictions.

The Licensor further covenants and agrees that it will not charge any such person, firm or corporation manufacturing and selling any such machine capable of exhibiting or projecting motion pictures on a film of a width greater than approximately one (1) inch, more than Five Dollars (\$5.00) as a license fee for the sale of each such exhibiting or projecting machine sold by any such person, firm or corporation.

The Licensor further covenants and agrees that it will not license any person, firm or corporation to make or sell any exhibiting or projecting machine containing any of the inventions described and claimed in the aforesaid Letters Patent which is not capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, except upon the conditions and restrictions that such machines be used solely for exhibiting or projecting motion pictures on film not wider than approximately one (1) inch, in places where no admission fee is charged; and that there shall be attached to each such machine, in a conspicuous place, a plate, which is not to be removed therefrom, showing plainly, not only the dates of the Letters Patent under which it is licensed, but also the aforesaid conditions or restrictions; and that the Licensor will not charge to any person, firm or corporation making or selling any such machine a license fee of more than 5 per cent. of the net retail selling price of each such machine.

The Licensor further covenants and agrees that it will grant a license to the Licensee, upon his request, to manufacture and sell

exhibiting or projecting machines under the Letters Patent referred to, and upon the condition as to the payment of the license fees or royalties and the other conditions and restrictions provided for, in this paragraph, and will not grant licenses thereunder to others on any more favorable terms or conditions, except the Biograph Company aforesaid, which is not to pay any such license fees or royalties; and will also grant a license to the Licensee to make and sell exhibiting or projecting machines under any other Letters Patent and containing the inventions described and claimed therein that the Licensor may hereafter acquire or control, upon the payment of additional license fees or royalties to be fixed by the Licensor, and subject to similar conditions and restrictions and the placing upon the machines of plates containing such conditions and restrictions as are provided for in this paragraph respecting exhibiting or projecting machines made and sold under the Letters Patent now owned by the Licensor mentioned in this paragraph, and that it will not grant such licenses to others on any more favorable terms or conditions.

It is mutually covenanted and agreed, however, by and between the Licensor and Licensee, that the Licensor shall have the right to grant and that it will grant, licenses to persons, firms and corporations upon their request (including the Licensee) to manufacture and sell exhibiting or projecting machines, containing the inventions described and claimed in the aforesaid Letters Patent now owned by the Licensor, capable of exhibiting and projecting, by reflected light, animated pictures on film of any width, but not capable of exhibiting or projecting the same by transmitted light, upon the payment of a royalty or license fee not to exceed 5 per cent. of the net retail selling price of each such machine, and upon the condition that they be used only in places where no admission fee is charged, which condition shall appear on a plate to be attached to each such machine; and also that it will grant licenses to such persons, firms and corporations to manufacture and sell such exhibiting or projecting machines containing the inventions described and claimed in any Letters Patent that the Licensor may hereafter own or control, subject to similar conditions or restrictions and upon the payment of additional license fees or royalties to be fixed by the Licensor; the royalty or license fee, and all the conditions and restrictions of all such licenses to be the same for the Licensee and such other licensees.

(28) The Licensor further covenants and agrees that it will keep separate books of account showing all royalties or rents charged to or received, directly or indirectly, from all persons, firms or corporations for the use of any exhibiting or projecting machines containing any of the inventions described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, or any other Letters Patent hereafter acquired or controlled by the Licensor, which books of account shall, for the periods hereinafter provided for, be open to the inspection of the Licensee or its duly appointed agent or agents at all reasonable times.

The Licensor further covenants and agrees to render statements in writing to the Licensee within thirty days after June 20, 1913, June 20, 1914, and August 31, 1914, showing correctly all such royalties or rents collected by or paid to the Licensor during the two yearly periods ending June 20, 1913 and 1914, respectively, and the shorter period thereafter ending August 31, 1914, which statements shall be sworn to by an officer of the Licensor, if so requested by the Licensee, and to pay to the Licensee on the rendition of each such statement, a share of twenty-four (24) per cent. of such gross royalties or rents collected by or paid to the Licensor during the period covered thereby, by persons, firms or corporations for the use of exhibiting or projecting machines containing the inventions, or any of them, described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and any other Letters Patent hereafter acquired or controlled by the Licensor; which share shall be such proportion of said twenty-four (24) per cent. of said gross royalties or rents as the number of thousand running feet of motion pictures of a greater width than approximately one (1) inch on which the Licensor has actually charged and collected royalties from the Licensee during said period bears to the total number of thousand running feet of such motion pictures on which the royalties hereinbefore provided for have actually been charged and collected by the Licensor from the Licensee and the additional Licensees during said period, after deducting the amount of such motion pictures of a greater width than approximately one (1) inch on which such royalties have been charged to and collected from the Biograph Company during said period, it being mutually understood and agreed that the said Bio-

graph Company and the Edison Company are not to share in or be paid any part of said twenty-four (24) per cent. of said gross royalties or rents.

(29) It is further mutually covenanted and agreed by and between the Licensor and Licensee that in case the Licensor should be notified by the Licensee or it should otherwise come to its knowledge that any such additional licensee has knowingly or through gross neglect or carelessness broken, violated or failed to perform any of the terms, conditions or stipulations of the license granted by the Licensor resulting in substantial injury to the Licensor, or the Licensee or the additional licensees aforesaid, the Licensor will promptly notify such licensee in writing of such breach, violation or non-performance, and if such License should, for a period of forty (40) days after such notice, persist in or fail to correct, repair or remedy the same, the Licensor shall at once terminate the license to such licensee; and that in case any such licensee should be guilty of a second grossly neglectful, careless or knowing breach, violation or non-performance of such terms, conditions or stipulations, resulting in substantial injury to the Licensor, or the Licensee or the additional licensees aforesaid, then, and in such case, the Licensor shall terminate the license to such licensee by giving the latter thirty (30) days' notice in writing of its intention so to do.

(30) The Licensor and Licensee further mutually covenant and agree that by the expression "motion pictures" as used in this agreement, is meant transparent or translucent tape-like film having photographs thereon of objects in motion embodying the inventions in said reissue No. 12,192.

(31) It is further mutually covenanted and agreed by and between the Licensor and Licensee that unless sooner terminated as hereinbefore or hereinafter provided, this agreement and the license granted thereby shall take effect June 20, 1912, and shall continue until June 20th, 1913, but that the Licensee may renew this agreement and license thereafter for another year ending June 20, 1914, upon the same terms, conditions and stipulations as herein provided, by giving notice to the Licensor on or before May 20, 1913, of the Licensee's election to so renew this agreement and license, and upon the giving of such notice this agreement and the license thereby granted shall be considered and treated by the Licensor and Licensee as renewed for one year, ending June 20, 1914,

and that the Licensee may again renew this agreement and license, upon the same terms, conditions and stipulations as herein provided, but only for the period from June 20th, 1914, to August 26th, 1919, the date of expiration of the Letters Patent No. 707,934, by giving notice to the Licensor on or before May 20, 1914, of the Licensee's election to so renew this agreement and license.

(32) It is further mutually covenanted and agreed by and between the Licensor and Licensee that if, during said original term or during any such renewal period, either party should knowingly or through gross neglect or carelessness, be guilty of a breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, and should, for the period of forty (40) days after notice thereof from the other party, persist therein or fail to correct, repair or remedy the same, then and in such case the party aggrieved may terminate this agreement by giving notice in writing to the guilty party of its intention so to do. It is, however, mutually covenanted and agreed by and between the Licensor and Licensee that if the guilty party should correct, *repair or remedy such breach, violation or non-performance of its covenants, conditions and stipulations within the said period of forty (40) days after such notice, and should, thereafter knowingly or through gross neglect or carelessness be guilty of a second breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, then and in such case, the party aggrieved may terminate this agreement by giving thirty (30) days' notice in writing to the guilty party of its intention so to do. Such termination of the agreement, however, shall not prejudice either party hereto in the recovery of damages because of any such breach, violation or non-performance by the other party hereto.

(33) It is further mutually covenanted and agreed by and between the Licensor and the Licensee that the agreement between the Licensor and the Licensee referred to in Paragraph (2b) together with any and all agreements modifying the same, be, and the same hereby is terminated as of June 19, 1912.

(34) All notice provided for in this agreement shall be in writing and shall be given by delivering the same to the Licensor or Licensee, as the case may be, or to an officer of the Licensor or Licensee, as the case may be, or by depositing such notice, postage prepaid, in any Post-office of the United States, in a sealed envelope

directed to the Licensor or the Licensee, as the case may be, at its last known Post-office address, to be forwarded by registered mail.

(35) It is mutually covenanted and agreed by and between the Licensor and Licensee that after notice of the termination of this agreement and the license granted thereby by either party, as provided for in Paragraphs 25 and 32, and after the same have been terminated, no matter what the cause or manner of termination may be, neither this license agreement, nor the fact that the Licensee has entered into or acted under it, shall be used in any manner, directly or indirectly, by or for the Licensor, its successors, assigns or legal representatives, or by or for others with its or their consent or permission, against the Licensee, or the Licensee's successors or legal representatives, in any litigation, controversy or proceeding involving the Licensee or them or any other persons, firms or corporations, or in any other way; it being understood and agreed that upon such termination the positions and rights of the Licensor and Licensee shall be the same as if this agreement had not been made; *provided, however*, that the rights of neither party shall be prejudiced by such termination in the recovery of damages for any breach or other violation of this agreement by the other occurring prior to such termination.

IN WITNESS WHEREOF, the Licensor has caused this agreement to be executed by its officers duly authorized to perform these acts, and the Licensee by his hand and seal, the day and year first above written.

MOTION PICTURE PATENTS COMPANY.

By (Signed) H. N. Marvin,
Vice-President.

Attest:

(Signed) Wm. Pelzer,
Secretary.

(Corporate Seal)

(Signed) GEORGE KLEINE.

In the presence of

(Signed) Frank C. McCarahan.

(Signed) A. J. Brown.

97.

LICENSE AGREEMENT.

(1) THIS AGREEMENT, made this 6th day of June, 1912, by and between MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Orange, in said State, party of the first part, (hereinafter referred to as the "Licensor"); and GASTON MELIES of New York City, (for himself and as attorney for George Melies, of Paris, France), party of the second part, (hereinafter referred to as the "Licensee"), WITNESSETH:

(2) WHEREAS, the Licensor represents that it is organized to own, deal in and grant licenses under Letters Patent pertaining to the motion picture art, and that it is the owner of all the right, title and interest in and to United States Letters Patent:

No. 578,185, dated March 2, 1897, for Vitascope, granted to Thomas Armat;

No. 580,749, dated April 13, 1897, for Vitascope, granted to Thomas Armat;

No. 586,953, dated July 20, 1897, for Phantoscope, granted to Charles F. Jenkins and Thomas Armat;

No. 588,916, dated August 24, 1897, for Kinetoscope, granted to Charles M. Campbell as the assignee of Willard G. Steward and Ellis F. Frost;

No. 629,063, dated July 18, 1899, for Kinetoscopic Camera, granted to American Mutoscope Company as the assignee of Herman Casler;

No. 673,329, dated April 30, 1901, for Kinetoscope, granted to the American Vitagraph Company as the assignee of Albert E. Smith;

No. 673,992, dated May 14, 1901, for Vitascope, granted to Thomas Armat;

No. 707,934, dated August 26, 1902, for Projecting Kinetoscope, granted E. & H. T. Anthony & Co., as assignees of Woodville Latham;

No. 722,382, dated March 10, 1903, for Animated Picture Apparatus, granted to American Mutoscope & Biograph Company as the assignee of John A. Pross;

No. 744,251, dated November 17, 1903, for Kinetoscope, granted to Albert E. Smith;

No. 770,937, dated September 27, 1904, for Kinetoscope, granted The Vitagraph Company of America as the assignee of Albert E. Smith;

No. 771,280, dated October 4, 1904, for Winding-Reel, granted Albert E. Smith;

No. 785,205, dated March 21, 1905, for Flame-Shield for Kinetoscopes, granted The Vitagraph Company of America as the assignee of William Ellwood; and

No. 785,237, dated March 21, 1905, for Film-Holder for Kinetoscopes, granted The Vitagraph Company of America as the assignee of Albert E. Smith;

all of which said Letters Patent relate to improvements in the motion picture art; and

(3) WHEREAS, the Licensor is the owner of all the right, title and interest in and to reissued Letters Patent of the United States numbered 13,329, dated December 5, 1911, the same being for the invention set forth in a previous reissue numbered 12,037, dated September 30, 1902, and also of reissued Letters Patent numbered 12,192 dated January 12, 1904, the original Letters Patent of all of said reissues being numbered 589,168, and dated August 31, 1897; and

(4) WHEREAS, the Licensee has heretofore been granted a license under the said reissued Letters Patent Nos. 12,037 and 12,192, by the Edison Manufacturing Company, the predecessor in title of the Licensor, which licenses were transferred by the Licensee to the George Melies Company of Chicago, Illinois, and the title to said licenses, as well as the question whether said licenses have been terminated, together with the right of the said George Melies Company to obtain a license from the Licensor, are at the present time in litigation in a suit in equity brought by the said George Melies Company against the Licensor and the Edison Manufacturing Company, in the United States courts for the District of New Jersey, (which suit is hereinafter referred to as the "said equity suit"); and

(5) WHEREAS, the Licensee wishes to engage in the manufacture of motion pictures, including the printing of positive motion pictures from negative motion pictures of the Licensee's own production, and also to import negative motion pictures made by the said George Melies in France, and to print positive motion pic-

tures therefrom, and relying upon the aforesaid representations of the Licensor and induced thereby, desires to obtain from the Licensor a license under said two reissued Letters Patent Nos. 13,329 and 12,192, and Letters Patent Nos. 629,063 and 707,934, and to lease positive motion pictures, for use in exhibiting or projecting machines containing the inventions, or any of them described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and to sell positive motion pictures on film of a width approximately one (1) inch or less in certain territory and on film of any width in certain territory; and

(6) WHEREAS, the Licensor and the Licensee are also desirous of terminating a certain license agreement between the Licensor and the Licensee under said reissued Letters Patent numbered 12,037 and 12,192, and Letters Patent numbered 629,063 and 707,934, which license agreement was dated July 20, 1909.

(7) NOW THEREFORE, the parties hereto, for and in consideration of the sum of One Dollar to each in hand paid by the other, and for other good and valuable considerations from each to the other moving, receipt of all of which is hereby acknowledged, have agreed as follows:

(8) The Licensor hereby grants to the Licensee for the term and subject to the covenants, conditions and stipulations hereinafter expressed, the right and license under said reissued Letters Patent No. 13,329 and Letters Patent Nos. 629,063 and 707,934, for the United States, its territories, dependencies and possessions (hereinafter called the "territory aforesaid"), to manufacture and use such a number of cameras embodying the inventions of said reissued Letters Patent numbered 13,329 and Letters Patent Nos. 629,063 and 707,934, as may be necessary for the proper conduct of the Licensee's business, and to import into the United States, its territories and possessions, negative motion pictures made by said George Melies in France, and to import positive motion pictures from negative motion pictures made by the said George Melies prior to 1904, of which the Licensee has no negative in this country, and to manufacture, print and produce positive motion pictures embodying the inventions of the said reissued Letters Patent No. 12,192, and to lease in the United States, its territories, dependencies and possessions, (with the exception of its insular possessions and Alaska),

hereinafter referred to as the "lease territory aforesaid," all of the said positive motion pictures so imported or printed on film of a greater width than approximately one (1) inch, upon condition that they be used solely in exhibiting or projecting machines containing the inventions or some of them of said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and licensed by the Licensor, and to sell positive motion pictures embodying the invention of said reissued Letters Patent No. 12,192, on film of a width approximately one (1) inch or less in the "lease territory aforesaid," and on film of any width in or for said insular possessions and Alaska and foreign countries, hereinafter referred to as "said export territory" shipments thereto and sales and leases therefor being hereinafter referred to as "for export."

It is further understood and agreed that the amount of running feet of new subjects placed on the market by the Licensee during the continuance of this agreement shall not exceed 1,000 feet per week, and that all the running feet of new subjects made and offered for sale in France by the said George Melies after the date of this agreement, shall be considered as part of the said 1000 feet; that is to say, the Licensee shall have the right to offer for lease in the "lease territory aforesaid," only so many running feet of new subjects printed from negatives made by the Licensee in the "territory aforesaid" as when added to all of the running feet of new subjects placed on sale by George Melies in France, shall equal 1000 running feet per week.

The Licensor further agrees that, in addition to the one thousand (1000) running feet of new subjects per week aforesaid, which the Licensee is hereby licensed to offer for lease in the "lease territory aforesaid," the Licensee may also offer for lease in the "lease territory aforesaid," under the terms and conditions of this agreement, positive motion pictures of special subjects, the negatives of which have been made by the Licensee and which are more than one thousand five hundred (1500) running feet in length, after the Licensor has approved of each such special subject and authorized in writing such leasing thereof.

The License hereby granted is personal to the Licensee and does not include the right to dispose of, in the "territory aforesaid," any cameras embodying any invention covered by said reissued

Letters Patent No. 13,329 and Letters Patent Nos. 629,063 and 707,934; and, in the event of the Licensee's permanent discontinuance of business or retirement therefrom for a period of six consecutive months, the license hereby granted shall be immediately terminated.

The license hereby granted shall also be immediately terminated in the event that the said George Melies shall export positive motion pictures to the United States or knowingly permit their importation into the United States, except to the extent provided for in this paragraph.

It is further understood and agreed that the license hereby granted is a temporary one, contingent on the eventualities which may arise in the "said equity suit" and that in the event that a temporary injunction should be issued against the Licensor, requiring the Licensor to recognize the said George Melies Company as a licensee, this agreement and the license granted thereby, shall be suspended, during the time such temporary injunction is in force. It is further understood and agreed that in the event that it is finally decreed in the "said equity suit" that the said George Melies Company is entitled to a license under the patents under which this license is granted, then this agreement and the license granted thereby shall thereupon immediately cease and determine.

The Licensee covenants and agrees that he will submit to the Licensor through its duly accredited officers, the names of such persons as he may wish to associate with him in the business to be carried on under the license hereby granted and that he will not permit any persons to obtain any interest in such business without the approval of the Licensor, provided, however, that this condition shall not prevent the Licensee from compensating any *bona fide* employee in whole or in part by a commission based on sales, provided that no single employee shall be paid as a commission more than 25% of the net profits resulting from the sale or leasing of motion pictures sold or leased by the Licensee; and the Licensee further agrees that if at any time during the continuance of this agreement and after the date hereof, the said Gaston Melies and the said George Melies, or either of them, no longer have the controlling interest in, and actual control of, the said business, conducted under the license hereby granted, such license may be immediately terminated by the Licensor.

(9) The Licensor, for itself, its successors, assigns and legal representatives, hereby releases, acquits and discharges the Licensee from any and all claims, demands and liability for profits and damages, because of any infringement by the Licensee of any or all of the aforesaid United States Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and reissued Letters Patent Nos. 13,329 and 12,192, or use by the Licensee of the inventions, or any of them, covered by said Letters Patent or either of them prior to the date hereof.

(10) The Licensee hereby recognizes and admits the validity of said reissued Letters Patent No. 13,329, and the validity of said reissued Letters Patent No. 12,192, and Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and agrees not to contest or question the same during the continuance of this agreement.

(11) The Licensee further covenants and agrees that the Licensee will, within fifteen (15) days after the twentieth (20) day of each month after this agreement takes effect, and during its continuance, submit a statement in writing, signed by the Licensee, and sworn to if requested by the Licensor, showing the total number of running feet of positive motion pictures sold and leased by the Licensee for use in the "territory aforesaid" and sold and leased by the Licensee in or for use in Canada, as well as the total number of running feet of negative motion pictures used by him in the "territory aforesaid" in the production of positive motion pictures sold or leased by the Licensee, during the period from the twentieth (20) day of the preceding calendar month to the twentieth (20) day of the month for which such statement is submitted and will at the same time pay to the Licensor the royalties due on said amounts of motion pictures according to the minimum rate of royalty hereinafter provided for, and will, after each year ending June 20, pay to the Licensor the additional royalties due thereon according to the royalty schedule provided for in Paragraph 12. The Licensee further covenants and agrees to keep correct books of account and to permit the Licensor to determine by examination thereof, at all reasonable times and through any reputable chartered accountant to be selected by the Licensor, the number of

running feet of positive motion pictures so leased and sold and negative motion pictures so used by the Licensee while this agreement is in effect, if the Licensor should so desire.

(12) The Licensor and the Licensee further mutually covenant and agree that the Licensor shall charge to and receive from the Licensee, and the Licensee shall pay to the Licensor, on all positive motion pictures on film of a width of approximately one and three-eighths ($1\frac{3}{8}$) inches, leased and sold by the Licensee in the "territory aforesaid" and in Canada, as well as negative motion pictures used (as defined in paragraph 11) by the Licensee, in the "territory aforesaid," royalties not exceeding, during any year counting from June 20, 1912, the following rates, that is to say:

If the total number of running feet of positive motion pictures so leased and sold and negative motion pictures so used by the Licensee shall be four million (4,000,000) running feet or less, a royalty of one-half ($\frac{1}{2}$) a cent per running foot on the total number of running feet so leased, sold and used for that year; if such total number of running feet shall exceed four million (4,000,000) running feet but not exceed six million (6,000,000) running feet, a royalty of four and one-half ($4\frac{1}{2}$) mills per running foot on the total number of running feet so leased, sold and used for that year; if such total number of running feet shall exceed six million (6,000,000) running feet but not exceed eight million (8,000,000) running feet, a royalty of four (4) mills per running foot on the total number of running feet so sold, leased and used for that year; if such total number of running feet shall exceed eight million (8,000,000) running feet but not exceed ten million (10,000,000) running feet, a royalty of three and three-quarter ($3\frac{3}{4}$) mills per running foot on the total number of running feet so leased, sold and used for that year; and if such total number of running feet shall exceed ten million (10,000,000) running feet, a royalty of three and one-quarter ($3\frac{1}{4}$) mills per running foot on the total number of running feet so sold, leased and used for that year.

And for motion pictures on film narrower or wider than approximately one and three-eighths inch ($1\frac{3}{8}$ in.), the above mentioned royalty rates shall be reduced or increased in proportion to the reduction or increase in width of such narrower or wider film below or above the width of approximately one and three-eighths inch ($1\frac{3}{8}$ in.).

The Licensor and Licensee further agree that in the first instance, as provided in paragraph 11, the Licensee shall pay to the Licensor royalties according to the minimum rate (three and one-quarter ($3\frac{1}{4}$) mills per running foot) aforesaid; that the Licensor shall after each year ending June 20, adjust, according to the royalty schedule aforesaid, the royalty account of the Licensee as to the total number of running feet so sold, leased and used during such year ending June 20th and on which royalties have been charged and collected by the Licensor and paid by the Licensee during such year; and that the Licensee shall, within twenty (20) days after such adjustment and notice thereof to it by the Licensor, pay to the Licensor the balance of the royalties due by it to the Licensor according to such adjustment.

(13) The Licensor and Licensee further mutually covenant and agree that no royalty other than or in addition to that provided for in the preceding paragraph shall be charged to or collected from the Licensee by the Licensor under said reissued Letters Patent No. 13,329 and 12,192 and said Letters Patent Nos. 629,063 and 707,934, up to June 20, 1913, or during any renewal of this agreement up to August 31, 1914, the date of the expiration of said reissued Letters Patent No. 13,329 and 12,192, and no royalty whatever shall be charged to or collected from the Licensee by the Licensor under said Letters Patent after either the first, second or third claims of said reissued Letters Patent No. 13,329 and either of the claims of said reissued Letters Patent No. 12,192, in any suit, as hereinafter provided for, for infringement thereof, are held invalid by a court that last hears and decides such suit, or after August 31, 1914, during any renewal of this agreement; and that the Licensor shall charge such royalties or rents for the use of all exhibiting or projecting machines capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, containing the inventions, or any of them, described and claimed in the aforesaid Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, licensed by the Licensor and that all such royalties or rents shall be collected by the Licensor, directly or indirectly, from the exhibitors using such machines, and shall be fixed by the Licensor and charged to and so collected from such exhibitors by the Licensor at such a rate as to

average as nearly as possible a royalty or rental of Two Dollars (\$2.00) per week for each such licensed machine in use.

(14) The Licensee further covenants and agrees not to lease, loan, rent out, sell or offer for sale, or otherwise dispose of in the "territory aforesaid," without the consent in writing of the Licensor, motion pictures to anyone purchasing or otherwise obtaining, leasing, using, loaning, renting out, selling, offering for sale, or otherwise disposing of or dealing in, motion pictures containing the invention of said reissued Letters Patent No. 12,192, not the output of the Licensee or other licensees under said letters patent.

(15) The Licensee further covenants and agrees to mark each and every camera which the Licensee may make or use under this agreement embodying the inventions of reissued Letters Patent No. 13,329, and Letters Patent Nos. 629,063 and 707,934, or any of them, with the word "Patented" followed by the dates of grant of all of the said Letters Patent the inventions claimed in which are embodied in the said camera or apparatus, and to photographically print the Licensee's trade mark on the title of each positive motion picture on film of a greater width than approximately one (1) inch leased by the Licensee in the "lease territory aforesaid," and to mark conspicuously on the labels which shall be placed on boxes or packages containing positive motion pictures on film of a greater width than approximately one (1) inch leased by the Licensee in the "lease territory aforesaid," the following words and figures:

LICENSED MOTION PICTURE.

Manufactured and Leased by and Property of
G. Melies, New York, N. Y., U. S. A.

(Patented in the United States August 31, 1897; reissued January 12, 1904).

The enclosed motion picture is leased only and upon the following terms and conditions:—

1. That the lessee shall not sell or otherwise dispose of the same outright, but shall have only the right to sub-let or use such motion picture.

2. That the lessee shall permit such motion picture to be exhibited only on motion picture projecting machines licensed by the Motion Picture Patents Company of New Jersey under its patents covering such projecting machines.

3. That the lessee shall not have the right to sublet such motion picture until such lessee has entered into an agreement in writing with the Motion Picture Patents Company containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect.

4. That the lessee or user thereof shall not make or permit others to make any reproduction commonly known as a "dupe," of such motion picture or any other motion picture containing the inventions of the above reissued patent.

5. That the lessee or user thereof shall not remove the trade mark or trade name or title therefrom.

6. That the violation of any of the foregoing conditions, including the terms and conditions of this agreement, referred to in 3, entitles the lessor to immediate possession of this motion picture without liability for any price which the lessee or the person in whose possession it is found, may have paid therefor.

(16) The Licensee further covenants and agrees not to use, without the consent in writing of the Licensor, in the production of negative or positive motion pictures, under this agreement, the negative or positive motion pictures (or reproductions commonly known as "duplicates" of the negative or positive motion pictures) of any other manufacturer or person, firm or corporation (except George Melies, aforesaid) located either in the "territory aforesaid" or in any foreign country, whether the same have or have not been copyrighted in the "territory aforesaid" or in any foreign country.

By the expression "running feet of new subjects" as used herein, the parties hereto agree, is meant the aggregate amount ascertained by adding together the individual number of running feet of one print of each and every new motion picture on film of a greater width than approximately one (1) inch, regularly listed and offered for lease in the "lease territory aforesaid."

(17) The Licensor has established the following scale of minimum prices (which the Licensee admits is a fair and reasonable one) for the lease of positive motion pictures on film of a greater width than approximately one (1) inch in the "lease territory aforesaid," embodying the invention of said reissued Letters Patent No. 12,192.

MOTION PICTURES ON ORDINARY FILM.

List	13	cents	per	running	foot.
Standing Order	11	"	"	"	"
Topical Pictures	9	"	net	per	running foot.
Films leased between two and four months after release date.....	9	"		per	running foot.
Films leased between four and six months after release date.....	7	"	net	per	running foot.
Films leased after six months after release date	any	price	net.		

MOTION PICTURES ON NON-INFLAMMABLE FILM.

List	14	cents	per	running	foot.
Standing Order	12	"	"	"	"

A rebate of 10 per cent. may be allowed on all of the above prices except on the 9 cent price for Topical Pictures and on the 7 cent price and lower prices which are net; said rebates to be due and payable between the 1st and 15th days of each of the months of March, May, July, September, November and January, on all motion pictures leased during the two months preceding each said period, provided all the terms and conditions of the agreement referred to in clause (3) of Paragraph 25 have been faithfully observed.

The Licensor and Licensee further mutually covenant and agree that the Licensor shall fix and determine the minimum lease prices at which such motion pictures shall be leased by the Licensee in the "lease territory aforesaid," and shall change such scale of minimum prices from time to time as in its judgment market conditions may require; and the Licensee further agrees that any changes which may hereafter be made in said scale of prices, and of which the Licensee shall be notified in writing by the Licensor, shall be accepted and adopted by the Licensee in the place and stead of the scale of prices above given or of any substitute or substitutes therefor adopted prior to such change, each such notice to be given to the Licensee at least three weeks in advance of the change to be made.

(18) The Licensor and Licensee further mutually covenant and agree that an order in the "lease territory aforesaid," for one or more such positive motion pictures of each and every new subject made or released by the Licensee (except chrono-photographic subjects and other special subjects that are announced and advertised as

special by the Licensee and of which no copy or print is leased by the Licensee for less than list price within two (2) months after release date) when offered for lease in the regular order of business, shall constitute a "standing order" within the meaning of the scale of prices aforesaid or any substitute therefor hereafter adopted, said standing order to remain in force for not less than twenty-one (21) consecutive days; and the parties hereto further mutually covenant and agree that the minimum price at which any additional positive motion pictures shall be leased, in the "lease territory aforesaid," subsequent to the filling of a standing order, shall be fixed by the Licensee, and the latter hereby fixes such price as the same per running foot as the pictures furnished on such standing order, unless otherwise provided for in the scale of prices aforesaid or any substitute therefor hereafter adopted. The Licensee further agrees that all such positive motion pictures which may be hereafter leased in the "lease territory aforesaid," to persons not having a standing order, as above defined, shall in every case be leased at not less than the list price mentioned in said scale of prices or any substitute therefor hereafter adopted by the Licensor, except as provided for in Paragraph 20 as to "special motion pictures."

(19) The Licensor and Licensee further mutually covenant and agree that such positive motion pictures made by or for the Licensee, and not leased or sold prior to June 20, 1912, shall be subject to the scale of prices aforesaid, and shall be leased in the "lease territory aforesaid," at not less than the prices fixed in said scale for positive motion pictures as provided for in Paragraphs 17 and 18.

(20) The Licensor and Licensee further mutually covenant and agree that in the case of so-called "special motion pictures" (where it is agreed, by the Licensee, that the negative shall be the exclusive property of the person ordering the same, although remaining in the care and custody of the Licensee, and where positive prints therefrom shall be made from time to time on the order of such person), the price to be paid for the making of such negative and the lease of the first positive print therefrom in the "territory aforesaid" shall be fixed by the Licensor and it hereby fixes the price at not less than fifty (50) cents per running foot, and the price at which positive prints therefrom, after the first, shall be leased in the "lease territory aforesaid," at not less than fifteen (15) cents

per running foot; and it is further agreed by the Licensor and Licensee that the Licensee shall not, without the consent of the Licensor, lease more than five (5) prints of any such negative in any one year.

(21) The Licensee further covenants and agrees not to lease such motion pictures in the "lease territory aforesaid," under any circumstances, either directly or indirectly, during the continuance of this agreement, at lower prices than those fixed and established as provided for in Paragraphs 17, 18, 19, and 20.

(22) It is further mutually covenanted and agreed by the Licensor and Licensee that the Licensee shall have the right to sell or otherwise dispose of motion pictures in or for "said export territory," and that the prices above referred to in Paragraphs 17, 18, 19 and 20, or any substitute or substitutes for the same hereafter adopted by the Licensor, shall not apply to sales or shipments of motion pictures made *bona fide* for export, when the goods, addressed to the purchaser, agent or consignee, are delivered to the vessel or to a transportation company for transportation to "said export territory," and not otherwise.

The Licensor and the Licensee further mutually covenant and agree that in no case shall sales or shipments "for export" of motion pictures be knowingly made by the Licensee to persons, firms or corporations, who such Licensee has reason to believe will re-import them into the "lease territory aforesaid" for sale or use.

(23) The Licensor and the Licensee further mutually covenant and agree that the Licensee shall not sell, or otherwise dispose of any negative motion pictures, nor sell, or lease or offer for sale or lease, in the "territory aforesaid," at reduced prices, motion pictures, on film of a greater width than approximately one inch (1 in.) which are second-hand or which have been used or which have become shop-worn or in any way damaged; but this provision shall not prevent the Licensee from selling as refuse in the "territory aforesaid" second-hand positive or negative motion pictures or motion pictures which have been used or become shop-worn or in any way damaged, to a manufacturer to manufacture other articles than motion pictures therefrom, but only after they have been rendered by the Licensee unsuitable for use as motion pictures by cutting or otherwise defacing them; or from selling exposed positive or negative film (either waste or in reels) known as "blank" film for

use by dealers, renters or exhibitors for leaders or for spacing or for similar purposes, but which shall not and cannot be otherwise employed for the exhibition of motion pictures.

(24) The Licensor and the Licensee further mutually covenant and agree that in the "lease territory aforesaid," all leases of positive motion pictures by the Licensee shall be at the prices hereinbefore provided for, without the allowance of any discounts or rebates or other reductions by which a lessee might acquire positive motion pictures at lower prices than those set forth in Paragraphs 17, 18, 19 and 20, or any substitutes therefor hereafter adopted by the Licensor, and that the Licensee will not dispose of such positive motion pictures as premiums, or by lottery, or raffle, or any game of chance, or in any way whereby they may be acquired directly or indirectly for less than the prices set forth in Paragraphs 17, 18, 19 and 20, or substitutes therefor.

The Licensee further covenants and agrees that, in the "lease territory aforesaid," the Licensee will not sell or offer for sale other goods or merchandise at less than current prices in order to induce the lease of positive motion pictures, nor present or donate other goods or merchandise or prizes, or make use of credit cards or trading stamps, or offer any premiums of any kind whatsoever to induce the lease of such positive motion pictures.

(25) It is further mutually covenanted and agreed by and between the Licensor and Licensee that no lease of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be made in the "lease territory aforesaid" by the Licensee, except upon and subject to the following terms and conditions, the substance of which (with the exception of the conditions as to the return of positive motion pictures hereinafter referred to) shall be expressed in a printed notice on the labels, as provided for in Paragraph 15, accompanying each positive motion picture, namely, (1) that the lessee of such positive motion picture shall not sell or otherwise dispose of the same outright, but shall only have the right to use such positive motion picture in giving motion picture exhibitions in machines licensed by the Licensor under the said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, or one or more of them or under any other Letters Patent that it may hereafter acquire or control, or to sub-lease such motion pictures

for use in such machines; and (2) that the lessee shall not make or permit others to make any reproduction commonly known as a "dupe" of such positive motion picture or any other positive motion picture containing the invention of said reissued Letters Patent No. 12,192; and (3) that the lessee shall not sub-lease the same or any other positive motion picture on film of a greater width than approximately one (1) inch containing the invention of said reissued Letters Patent No. 12,192, for use in giving motion picture exhibitions, until such lessee has entered into an agreement in writing with the Licensor containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect; and (4) that the lessee of such positive motion pictures shall not remove the trade-mark or trade name or title therefrom; and (5) that the lessee shall return to the Licensee (without any payment therefor except the transportation charges incident to the return of the same) on the first day of every month, beginning with July, 1912, an amount of positive motion pictures (on film of a greater width than approximately one (1) inch) in running feet (not leased by the Licensee over six months before) and of the make of the Licensee, equal to ninety per cent. (90%) of the amount that was so leased during the seventh month preceding the date of each such return, with the exception, however, that where any such positive motion pictures are destroyed by fire or lost in transportation, and proof satisfactory to the Licensee is furnished as to such destruction or loss, the amount so destroyed or lost shall be deducted from the amount to be returned as aforesaid; and (6) that the violation of any of the foregoing conditions, including the terms and conditions of the agreement referred to in condition 3 above, entitles the lessor to immediate possession of such motion picture without liability for any price which the lessee, or the person in whose possession it is found, may have paid therefor.

The Licensee further covenants and agrees that in the "lease territory aforesaid" the Licensee will not discriminate in favor of any lessee, or place upon any motion pictures any restrictions, other than those specified in this paragraph and Paragraph 15, unless authorized by the Licensor.

26. The Licensee covenants and agrees that in the "lease territory aforesaid" the Licensee will dispose of positive motion

pictures, on film of a greater width than approximately one (1) inch, manufactured, imported or printed by the Licensee, only by the sale "for export" and shipment thereof into "said export territory," or by the lease thereof to others for the purpose only of either sub-leasing the same to persons, firms or corporations using such motion pictures for giving exhibitions thereof in exhibiting or projecting machines licensed by the Licensor containing the inventions or some of them, described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, or in Letters Patent hereafter acquired or controlled by the Licensor, or of using the same in such machines so licensed; and will not use the same for the purpose of giving exhibitions thereof for profit, directly or indirectly; it being expressly understood and agreed by and between the Licensor and Licensee, however, that the Licensee shall be at liberty to give exhibitions of such positive motion pictures without profit, directly or indirectly, and to possible or prospective lessees or purchasers thereof; and the Licensee further covenants and agrees not to knowingly allow positive motion pictures, on film of a greater width than approximately one (1) inch, manufactured or imported by the Licensee under this agreement, to be leased for use with any exhibiting or projecting machine not licensed by the Licensor under the Letters Patent mentioned in this paragraph, and that it may hereafter acquire or control, or one or more of them, except by and with the consent of the Licensor; and also to refrain from supplying such motion pictures for use with any exhibiting or projecting machine, the license for which, under the aforesaid Letters Patent, or one or more of them, has been terminated, and the Licensee has been notified thereof by the Licensor; and also to refrain from supplying such motion pictures to any lessee who may sublet such motion pictures to persons, firms or corporations using the same for giving exhibitions thereof in exhibiting or projecting machines not licensed by the Licensor as aforesaid, or the license for which has been terminated and the Licensee has been notified by the Licensor, that any such lessee continues to so sublet such motion pictures after being notified by the Licensor not to do so; and the Licensor covenants and agrees to promptly notify any such lessee who may so sublet such motion pictures, after it has knowledge of any such subletting, and to notify the Licensee and the additional licensees

hereafter provided for, or such as them as may at the time be licensees, of the termination of any license for the use of any exhibiting or projecting machines under the aforesaid Letters Patent, or any of them, and of any such lessee who may so sublet such motion pictures, after being notified by it not to do so, and to compel all such additional licensees to refrain from supplying motion pictures for use with any such exhibiting or projecting machine, the license for which has been so terminated, or to any such lessee.

(27) The Licensor and Licensee further mutually covenant and agree that the Licensor shall and will, during the continuance of this agreement, promptly institute suits against any and all infringers of the Letters Patent, or any of them, mentioned in this agreement, on the request of a majority of the licensees, including the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, and will thereafter diligently prosecute any such suit or suits to final hearing and decision; all expense connected with the institution and prosecution of such suit or suits to be borne by the Licensor, who shall also be entitled to receive and apply to its own use all recoveries had therein for damages and profits.

The Licensor and Licensee further mutually covenant and agree that if, in case any such suit is brought upon said reissued Letters Patent Nos. 13,329, 12,192, or said Letters Patent Nos. 586,953 or 707,934, either of the claims of said reissued Letters Patent No. 12,192, or either of the first, second or third claims of said reissued Letters Patent No. 13,329, or any of the claims in issue in any such suit upon said Letters Patent Nos. 586,953 or 707,934, is or are held invalid by a court that last hears and decides such suit, or should be held by such court not to be infringed, then, and in any such case, the Licensee may at once terminate this agreement and the license thereby granted, by giving notice of its election so to do to the Licensor.

The Licensor and Licensee further mutually covenant and agree that the Licensor may, at its own expense (except as hereinafter provided) during the continuance of this agreement, institute and prosecute suits against any of the several additional licensees hereinafter provided for, for any breach or violation on the part of any such licensee of the covenants respecting prices at which positive motion pictures shall be leased in the "lease territory

aforesaid," and also for violation of any of the other terms, conditions or stipulations entered into by such licensee; that the Licensors shall at the end of each year, counting from June 20, 1912, render to the Licensee a statement in writing showing in detail all legal expenses incurred by it during such year in the prosecution of such suit or suits; and that up to, but not exceeding the sum of Twenty Thousand Dollars (\$20,000) for any such year, all such legal expenses insofar as they may be reasonable and proper, shall be borne and paid by the Licensee and the several additional licensees hereinafter provided for, *pro rata* according to the number of thousand running feet of new subjects offered for lease or sale by each relatively to the total number of thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale by all in the "territory aforesaid," during the year preceding the rendition of such statement, any legal expenses in excess of said Twenty Thousand Dollars (\$20,000) during any such year to be borne and paid by the Licensors unless the Licensors and the Licensee and the several additional licensees hereinafter provided for should hereafter mutually agree otherwise.

(28) It is mutually covenanted and agreed by and between the Licensors and Licensee that the Licensors may grant other licenses under said reissued Letters Patent Nos. 13,329 and 12,192, and said reissued Letters Patent Nos. 629,063 and 707,934, so far as the use of the inventions thereof in cameras is concerned, said licenses to be in writing and not to exceed nine in number, except by a majority vote of the Licensee and the nine other licensees or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid," by such licensees during the year preceding the taking of such vote, *provided, however*, (a) that if any such additional nine licenses should be terminated, during the continuance of this agreement, then and in each such case, the Licensors may grant a license in writing to some other motion picture manufacturer or importer; (b) that the Licensors may continue in the Eastman Kodak Company, a New York corporation, for the term of said reissued Letters Patent No. 13,329, and said Letters Patent Nos. 629,063 and 707,934, the right with which said Eastman Kodak

Company is now vested by the Licensor, under said Letters Patent, to use such motion picture cameras as it may desire for its own use, including film testing; and (c) that the Licensor may, if requested so to do by the Licensee or any of the additional nine (9) licensees aforesaid (except by George Kleine), grant licenses in writing to individuals to use motion picture cameras embodying the inventions of said reissued Letters Patent No. 13,329, and said Letters Patent Nos. 629,063 and 707,934, such cameras to be leased by the Licensee or one of the said additional nine (9) licensees aforesaid (except by George Kleine) by a non-transferable lease in writing in a form to be approved by the Licensor, and such cameras to be used by the individuals so licensed in making negatives which, or copies of which, are to be used by the Licensee or one of the other nine (9) licensees aforesaid (except George Kleine) in the production of positive motion pictures to be leased or sold by the Licensee or one of the other nine (9) licensees (except George Kleine) in the "lease territory aforesaid" or in Canada.

(29) It is further mutually covenanted and agreed by and between the Licensor and the Licensee that the Licensor will, during the continuance of this agreement, license such a number of persons, firms or corporations under said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, to make and sell exhibiting or projecting machines containing the inventions described and claimed in the same, capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, and also such machines not capable of exhibiting or projecting motion pictures on film of a greater width than approximately one (1) inch, as will be able to supply the demand for the same; and that it shall not, and it hereby covenants and agrees that it will not, during the continuance of this agreement, license any person, firm or corporation under said Letters Patent or any of them to make or sell any such exhibiting or projecting machine containing any of the inventions described and claimed in said Letters Patent, and capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, except upon the conditions and restrictions that the sale and purchase of such machine gives only the right to use it solely for exhibiting or projecting motion pictures containing the inventions of said reissued

Letters Patent No. 12,192, and licensed by the Licensor, while it owns or controls the Letters Patent under which such machine is licensed and upon other terms to be fixed by the Licensor while in use, and while the Letters Patent under which it is licensed are owned or controlled by the Licensor (which other terms shall only be the payment of a royalty or rental to the Licensor while in use, as hereinafore provided for), and that there shall be attached to each such machine, in a conspicuous place, a plate which is not to be removed therefrom, showing plainly, not only the dates of the Letters Patent under which it is licensed, but also the aforesaid conditions or restrictions.

The Licensor further covenants and agrees that it will not charge any such person, firm or corporation manufacturing and selling any such machine capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, more than Five Dollars (\$5.00) as a licensee fee for the sale of each such exhibiting or projecting machine sold by any such person, firm or corporation.

The Licensor further covenants and agrees that it will not license any person, firm or corporation to make or sell any exhibiting or projecting machine containing any of the inventions described and claimed in the aforesaid Letters Patent which is not capable of exhibiting or projecting motion pictures on film of a greater width than approximately one (1) inch, except upon the conditions and restrictions that such machines be used solely for exhibiting or projecting motion pictures on film not wider than approximately one (1) inch, in places where no admission fee is charged; and that there shall be attached to each such machine, in a conspicuous place, a plate, which is not to be removed therefrom, showing plainly, not only the dates of the Letters Patent under which it is licensed, but also the aforesaid conditions or restrictions; and that the Licensor will not charge to any person, firm or corporation making or selling any such machine a license fee of more than 5 per cent. of the net retail selling price of each such machine.

The Licensor further covenants and agrees that it will grant a license to the Licensee, upon its request, to manufacture and sell exhibiting or projecting machines under the Letters Patent referred to, upon the condition as to the payment of the license fees or royalties and the other conditions and restrictions provided for, in

this paragraph, and will not grant licenses thereunder to others on any more favorable terms or conditions, except the Biograph Company aforesaid, which is not to pay any such license fees for royalties; and will also grant a license to the Licensee to make and sell exhibiting or projecting machines under any other Letters Patent and containing the inventions described and claimed therein that the Licensor may thereafter acquire or control, upon the payment of additional license fees or royalties to be fixed by the Licensor, and subject to similar conditions and restrictions and the placing upon the machines of plates containing such conditions and restrictions as are provided for in this paragraph respecting exhibiting or projecting machines made and sold under the Letters Patent now owned by the Licensor mentioned in this paragraph, and that it will not grant such licenses to others on any more favorable terms or conditions.

It is mutually covenanted and agreed, however, by and between the Licensor and Licensee, that the Licensor shall have the right to grant and that it will grant, licenses to persons, firms and corporations upon their request (including the Licensee) to manufacture and sell exhibiting or projecting machines, containing the inventions described and claimed in the aforesaid Letters Patent now owned by the Licensor, capable of exhibiting or projecting, by reflected light, animated pictures on film of any width, but not capable of exhibiting or projecting the same by transmitted light, upon the payment of a royalty or license fee not to exceed 5 per cent. of the net retail selling price of each such machine, and upon the condition that they be used only in places where no admission fee is charged, which condition shall appear on a plate to be attached to each such machine; and also that it will grant licenses to such persons, firms or corporations to manufacture and sell such exhibiting or projecting machines containing the inventions described and claimed in any Letters Patent that the Licensor may hereafter own or control, subject to similar conditions or restrictions and upon the payment of additional license fees or royalties to be fixed by the Licensor; the royalty or license fee, and all the conditions and restrictions of all such licenses, to be the same for the Licensee and such other licensees.

(30) The Licensor further covenants and agrees that it will keep separate books of account showing all royalties or rents

charged to or received, directly or indirectly, from all persons, firms or corporations for the use of any exhibiting or projecting machines containing any of the inventions described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, or any other Letters Patent hereafter acquired or controlled by the Licensor, which books of account shall, for the period hereinafter provided for, be open to the inspection of the Licensee or its duly appointed agent or agents at all reasonable times.

The Licensor further covenants and agrees to render statements in writing to the Licensee within thirty days after June 20, 1913, June 20, 1914, and August 31, 1914, showing correctly all such royalties or rents collected by or paid to the Licensor during the two yearly periods ending June 20, 1913 and 1914, respectively, and the shorter period thereafter ending August 31, 1914, which statements shall be sworn to by an officer of the Licensor, if so requested by the Licensee, and to pay to the Licensee on the rendition of each such statement, a share of twenty-four (24) per cent. of such gross royalties or rents collected by or paid to the Licensor during the period covered thereby, by persons, firms or corporations for the use of exhibiting or projecting machines containing the inventions, or any of them, described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and any other Letters Patent hereafter acquired or controlled by the Licensor; which share shall be such proportion of said twenty-four (24) per cent. of said gross royalties or rents as the number of thousand running feet of motion pictures of a greater width than approximately one (1) inch on which the Licensor has actually charged and collected royalties from the Licensee during said period bears to the total number of thousand running feet of such motion pictures on which the royalties hereinbefore provided for have actually been charged and collected by the Licensor from the Licensee and the additional licensees during said period, after deducting the amount of such motion pictures of a greater width than approximately one (1) inch on which such royalties have been charged to and collected from the Biograph Company during said period, it being mutually understood and agreed that the said Biograph Company and the Edison Company are not to share in

or be paid any part of said twenty-four (24) per cent. of said gross royalties or rents.

(31) It is further mutually covenanted and agreed by and between the Licensor and Licensee that in case the Licensor should be notified by the Licensee or it should otherwise come to its knowledge that any such additional licensee has knowingly or through gross neglect or carelessness broken, violated or failed to perform any of the terms, conditions or stipulations of the license granted by the Licensor resulting in substantial injury to the Licensor, or the Licensee or the additional licensees aforesaid, the Licensor will promptly notify such licensee in writing of such breach, violation or non-performance, and if such Licensee should, for a period of forty (40) days after such notice, persist in or fail to correct, repair or remedy the same, the Licensor shall at once terminate the license to such licensee; and that in case any such licensee should be guilty of a second grossly neglectful, careless or knowing breach, violation or non-performance of such terms, conditions or stipulations, resulting in substantial injury to the Licensor, or the Licensee or the additional licensees aforesaid, then, and in such case, the Licensor shall terminate the license to such licensee by giving the latter thirty (30) days' notice in writing of its intention so to do.

(32) The Licensor and Licensee further mutually covenant and agree that by the expression, "motion pictures," as used in this agreement, is meant transparent or translucent tape-like film having photographs thereon of objects in motion, embodying the inventions in said reissue No. 12,192.

(33) It is further mutually covenanted and agreed by and between the Licensor and Licensee that unless sooner terminated, as hereinbefore or hereinafter provided, this agreement and the license granted thereby shall take effect June 20, 1912, and shall continue until June 20, 1913, but that the Licensee may renew this agreement and license thereafter for another year ending June 20, 1914, upon the same terms, conditions and stipulations as herein provided, by giving notice to the Licensor on or before May 20, 1914, of the Licensee's election to so renew this agreement and license, and upon the giving of such notice this agreement and the license thereby granted shall be considered and treated by the Licensor and Licensee as renewed for one year, ending June 20, 1914, and

that the Licensee may again renew this agreement and license, upon the same terms, conditions and stipulations as herein provided, but only for the period from June 20, 1914, to August 26, 1919, the date of expiration of the Letters Patent No. 707,934, by giving notice to the Licensors on or before May 20, 1914, of the Licensee's election to so renew this agreement and license.

(34) It is further mutually covenanted and agreed by and between the Licensors and Licensee that if, during said original term or during any such renewal period, either party should knowingly, or through gross neglect or carelessness, be guilty of a breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, and should, for the period of forty (40) days after notice thereof from the other party, persist therein or fail to correct, repair or remedy the same, then and in such case the party aggrieved may terminate this agreement by giving notice in writing to the guilty party of its intention so to do. It is, however, mutually covenanted and agreed by and between the Licensors and Licensee that if the guilty party should correct, repair or remedy such breach, violation or non-performance of its covenants, conditions and stipulations within the said period of forty (40) days after such notice, and should thereafter, knowingly or through gross neglect or carelessness, be guilty of a second breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, then and in such case the party aggrieved may terminate this agreement by giving thirty (30) days' notice in writing to the guilty party of its intention so to do. Such termination of the agreement, however, shall not prejudice either party hereto in the recovery of damages because of any such breach, violation or non-performance by the other party hereto.

(35) It is further mutually covenanted and agreed by and between the Licensors and the Licensee that the agreement between the Licensors and the Licensee dated July 20, 1909, and referred to in Paragraph 6 hereof, be and the same hereby is terminated as of June 19, 1912.

(36) All notices provided for in this agreement shall be in writing and shall be given by delivering the same to the Licensors or Licensee, as the case may be, or to an officer of the Licensors or Licensee, as the case may be, or by depositing such notice, postage

prepaid, in any Postoffice of the United States, in a sealed envelope directed to the Licensor or the Licensee, as the case may be, at its last known Postoffice address, to be forwarded by registered mail.

(37) It is mutually covenanted and agreed by and between the Licensor and Licensee that after notice of the termination of this agreement and the license granted thereby by either party, as provided for in Paragraphs 27 and 34, and after the same have been terminated, no matter what the cause or manner of termination may be, neither this license agreement, nor the fact that the Licensee has entered into or acted under it, shall be used in any manner, directly or indirectly, by or for the Licensor, its successors, assigns or legal representatives, or by or for others with its or their consent or permission, against the Licensee, or the Licensee's successors or legal representatives, in any litigation, controversy or proceeding involving the Licensee or them or any other persons, firms or corporations, or in any other way; it being understood and agreed that upon such termination the positions and rights of the Licensor and Licensee shall be the same as if this agreement had not been made; *provided, however*, that the rights of neither party shall be prejudiced by such termination in the recovery of damages for any breach or other violation of this agreement by the other occurring prior to such termination.

IN WITNESS WHEREOF, the Licensor has caused this agreement to be executed by its officers duly authorized to perform these acts, and the Licensee by his hand and seal, the day and year first above written.

MOTION PICTURE PATENTS COMPANY,

By (Sg.) H. N. Marvin,

(Corporate Seal)

Vice-President.

Attest:

(Sg.) Wm. Pelzer,
Secretary.

Gaston Melies,

George Melies,

By Gaston Melies,

Attorney in Fact.

In the presence of:

C. Whiting,
Eloise Foster.

98.

LICENSE AGREEMENT.

1. THIS AGREEMENT, made this sixth day of June, 1912, by and between MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Orange, in said State, party of the first part (hereinafter referred to as the Licensor), THOMAS A. EDISON, INC., a corporation organized and existing under the laws of the State of New Jersey, and having an office at Orange, in said State (and successor in business of Edison Manufacturing Company, a corporation of New Jersey), party of the second part (hereinafter referred to as the Edison Company), and PATHE FRERES, a corporation organized and existing under the laws of the State of New Jersey and having an office in Jersey City, in said State, and also an office in New York City, party of the third part (hereinafter referred to as the Licensee), WITNESSETH that:

2. WHEREAS, the Licensor represents that it is organized to own, deal in and grant licenses under Letters Patent pertaining to the motion picture art, and that it is the owner of all the right, title and interest in and to the following United States Letters Patent, all relating to improvements in the motion picture art:

No. 578,185, dated March 2, 1897, for Vitascope, granted to Thomas Armat;

No. 580,749, dated April 13, 1897, for Vitascope, granted to Thomas Armat;

No. 586,953, dated July 20, 1897, for Phantoscope, granted to Charles F. Jenkins and Thomas Armat;

No. 588,916, dated August 24, 1897, for Kinetoscope, granted to Charles M. Campbell as the assignee of Willard G. Steward and Ellis F. Frost;

No. 629,063, dated July 18, 1899, for Kinetoscopic Camera, granted to American Mutoscope Company as the assignee of Herman Casler;

No. 673,329, dated April 30, 1901, for Kinetoscope, granted to The American Vitagraph Company as the assignee of Albert E. Smith;

No. 673,992, dated May 14, 1901, for Vitascope, granted to Thomas Armat;

No. 707,934, dated August 26, 1902, for Projecting Kinetoscope, granted E. & H. T. Anthony & Co. as assignee of Woodville Latham;

No. 722,382, dated March 10, 1903, for Animated Picture Apparatus, granted to American Mutoscope & Biograph Company as the assignee of John A. Pross;

No. 744,251, dated November 17, 1903, for Kinetoscope, granted Albert E. Smith;

No. 12,192, dated January 12, 1904, for Kinetoscopic Film, granted to Thomas A. Edison, the same being based on letters patent numbered 589,168, dated August 31, 1897;

No. 770,937, dated September 27, 1904, for Kinetoscope, granted the Vitagraph Company of America as the assignee of Albert E. Smith;

No. 771,280, dated October 4, 1904, for Winding-Reel, granted Albert E. Smith;

No. 785,205, dated March 21, 1905, for Flame-Shield for Kinetoscopes, granted The Vitagraph Company of America as the assignee of William Ellwood;

No. 785,237, dated March 21, 1905, for Film-Holder for Kinetoscopes, granted the Vitagraph Company of America as the assignee of Albert E. Smith; and

No. 13,329, dated December 5, 1911, for Kinetoscope granted to the Licensor as assignee, by mesne assignments of Thomas A. Edison, the same being also a reissue of letters patent No. 589,168, aforesaid, and for the inventions set forth in a previous reissue thereof numbered 12,037, dated September 30, 1902;

and that there are no licenses, shop-rights or other rights outstanding, to any person, firm or corporation engaged in the business of manufacturing and selling or leasing motion pictures, to manufacture and sell or lease to others motion pictures embodying the inventions of said reissued letters patent No. 12,192, or to manufacture or use in carrying on such business cameras embodying the inventions of said reissued letters patent No. 13,329 and said letters patent Nos. 629,063 and 707,934, except to the General Film Company, a Maine corporation, granted on or about April 21, 1910, of which the Licensee has knowledge, and except as follows:

2a. A certain license granted under said reissued letters patent Nos. 12,037 and 12,192, by the Edison Manufacturing Company aforesaid to Pathe Freres, of New York, under an agreement in

writing between it and the latter, dated May 20, 1908, and taking effect June 20, 1908, and certain other licenses granted, under said reissued letters patent, by said Edison Manufacturing Company to the Kalem Company, of New York, the Essanay Company, of Chicago, Siegmund Lubin, of Philadelphia, Gaston Melies, of New York (for himself and as attorney for George Melies, of Paris, France), Selig Polyscope Company of Chicago, and the Vitagraph Company of America, of New York, under agreements in writing between said Edison Manufacturing Company and said several licensees, dated January 31, 1908, which said agreements, dated May 20, 1908, and January 31, 1908 (except that to which Gaston Melies was a party), were suspended by the parties thereto in and by the license agreements next referred to, to which said licensees (or their successors) were parties, in the same manner as hereinafter provided for in paragraph 34; and

2b. Certain licenses granted, under said reissued letters patent Nos. 12,037 and 12,192, and said letters patent No. 629,063, and 707,934, by the Licensor, to Edison Manufacturing Company aforesaid (predecessor of the Edison Company aforesaid), Biograph Company, of New Jersey, Essanay Film Manufacturing Company, of Illinois, Kalem Company aforesaid, Siegmund Lubin, aforesaid (succeeded by Lubin Manufacturing Company, of Pennsylvania), Pathe Freres aforesaid, Selig Polyscope Company aforesaid, and Vitagraph Company of America aforesaid, under agreements in writing between the Licensor and said several licensees dated December 18, 1908, at which time a certain license was also granted by the Licensor, under said reissued letters patent No. 12,192, to George Kleine, of Chicago, which, however, did not include the right to manufacture negative motion pictures nor the right to manufacture or use such cameras as aforesaid, and also a license to Gaston Melies (for himself and as attorney for George Melies, of Paris, France), dated July 20, 1909; and

3. WHEREAS, the Licensor, the Edison Company and the Licensee are desirous of continuing the suspension of operation of the said license agreement between the Edison Manufacturing Company and the Licensee referred to in paragraph 2a of this agreement; and

4. WHEREAS, the Licensor, the Edison Company and the Licensee are also desirous of terminating the license agreement,

between the Licensor, the Edison Manufacturing Company and the Licensee, referred to in paragraph 2b, together with any and all agreements modifying the same; and

5. WHEREAS, the Licensee is engaged in the manufacture, sale and leasing of motion pictures, including the printing of positive motion pictures from negative motion pictures of the Licensee's own production, or from negative motion pictures purchased or procured by it from Compagnie Generale de Phonographes, Cinematographes et Appareils de Precision, of Paris, France (successor of Pathe Freres of the same place and hereinafter referred to as "said Compagnie Generale"), and, relying upon the aforesaid representations of the Licensor and induced thereby, desires to obtain from the Licensor a license under said two reissued Letters Patent numbered 13,329 and 12,192, and Letters Patent Nos. 629,063 and 707,934, and to lease positive motion pictures for use in exhibiting or projecting machines containing the inventions, or any of them described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and to sell or lease positive motion pictures on film of a width approximately (1) inch or less in certain territory and on film of any width in certain territory:

6. NOW THEREFORE, the parties hereto, for and in consideration of the sum of One Dollar to each in hand paid by the other, and for other good and valuable considerations from each to the other moving, receipt of all of which is hereby acknowledged, have agreed as follows:

7. The Licensor hereby grants to the Licensee, for the term and subject to the covenants, conditions and stipulations hereinafter expressed, the right and license under said reissued Letters Patent No. 13,329 and Letters Patent Nos. 629,063 and 707,934, for the United States, its territories, dependencies and possessions (hereinafter called the "territory aforesaid") to manufacture and use such a number of cameras embodying the inventions of said reissued Letters Patent No. 13,329 and Letters Patent Nos. 629,063 and 707,934, as may be necessary for the proper conduct of the Licensee's business, and to manufacture, print and produce positive motion pictures embodying the inventions of said reissued Letters Patent No. 12,192, and to lease the same in the United States, its territories, dependencies and possessions, (with the exceptions of

its insular possessions and Alaska), hereinafter referred to as the "lease territory aforesaid," on film of a greater width than approximately one (1) inch, upon condition that they be used solely in exhibiting or projecting machines containing the inventions or some of them of said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and licensed by the Licensor, and to sell or lease positive motion pictures embodying the invention of said reissued Letters Patent No. 12,192, on film of a width approximately one (1) inch or less in the "lease territory aforesaid" and on film of any width in or for use in said insular possessions and Alaska and foreign countries, hereinafter referred to as "said export territory"; shipments thereto and sales and leases therefor being hereinafter referred to as "for export."

The license hereby granted is personal to the Licensee and does not include the right to dispose of, in the "territory aforesaid," any cameras embodying any invention covered by said reissued Letters Patent No. 13,329 and Letters Patent Nos. 629,063 and 707,934; and, in the event of the Licensee's permanent discontinuance of business or retirement therefrom for a period of six consecutive months, the License hereby granted shall be immediately terminated.

8. The Licensor, for itself, its successors, assigns and legal representatives, hereby releases, acquits and discharges the Licensee from any and all claims, demands and liability for profits and damages, because of any infringement by the Licensee of any or all of the aforesaid United States Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and reissued Letters Patent Nos. 13,329 and 12,192, or use by the Licensee of the inventions, or any of them, covered by said Letters Patent or either of them prior to the date hereof.

9. The Licensee hereby recognizes and admits the validity of said reissued Letters Patent No. 13,329, and the validity of said reissued Letters Patent No. 12,192 and Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and agrees not to contest or question the same during the continuance of this agreement.

10. The Licensee further covenants and agrees that, except as hereinafter provided for in this paragraph, the Licensee will, within fifteen (15) days after the twentieth (20) day of each month after this agreement takes effect, and during its continuance, submit a statement in writing, signed by the proper officer of the Licensee, and sworn to if requested by the Licensor, showing the total number of running feet of positive motion pictures sold and leased by the Licensee for use in the "territory aforesaid" and sold and leased by the Licensee in or for use in Canada, as well as the total number of running feet of negative motion pictures used by it in the "territory aforesaid" in the production of positive motion pictures sold or leased by the Licensee, during the period from the twentieth (20) day of the preceding calendar month to the twentieth (20) day of the month for which such statement is submitted, and will at the same time pay to the Licensor the royalties due on said amounts of motion pictures according to the minimum rate of royalty hereinafter provided for, and will, after each year ending June 20, pay to the Licensor the additional royalties due thereon according to the royalty schedule provided for in Paragraph 11. The Licensee further covenants and agrees to keep correct books of account and to permit the Licensor to determine, by examination thereof, at all reasonable times and through any reputable chartered accountants to be selected by the Licensor, the number of running feet of positive motion pictures so leased and sold and negative motion pictures so used by the Licensee while this agreement is in effect, if the Licensor should so desire.

The Licensor and Licensee agree that the Licensee shall have the right to obtain from the "said Compagnie Generale" (with which it has business relations) and import into the "territory aforesaid," such negative motion pictures (with a single corresponding positive motion picture or print of each) and such colored positive motion pictures (when two or more colors are used thereon), produced by "said Compagnie Generale," as the Licensee may desire, and also all such positive motion pictures produced by "said Compagnie Generale" from negative motion pictures made prior to June 20, 1908, and for which the Licensee has no negative in the United States, and all such positive motion pictures produced by "said Compagnie Generale" from any negative motion picture made by it after June 20, 1908, of which "said Compagnie Generale"

has no duplicate (because for commercial or other reasons it has been impracticable or too difficult for it to make a duplicate negative), as the Licensee may need to fill orders therefor, but not otherwise, and to lease all such positive motion pictures on film of a greater width than approximately one (1) inch in the "lease territory aforesaid," and to sell all such positive motion pictures on film of any width only in "said export territory" or "for export" and to use said negative motion pictures so obtained and imported in the manufacture of positive motion pictures on film of a greater width than approximately one (1) inch for lease in the "lease territory aforesaid," and on film of any width for sale in "said export territory," or "for export," without the payment of the royalty aforesaid on such imported negative motion pictures or imported positive motion pictures.

The Licensor and Licensee further mutually covenant and agree that in case of the complete or partial destruction by fire of the buildings in the United States in which the Licensee prints or produces its positive motion pictures, or in case the apparatus used in printing or producing such motion pictures is wholly or partially rendered useless through no fault of its own, and the Licensee is therefore unable from either cause to fill its orders for such positive motion pictures, it shall have the right to obtain from "said Compagnie Generale" and import into the "territory aforesaid" and lease in the "lease territory aforesaid" and sell in said "export territory" or "for export" (without the payment therefor of the royalty aforesaid) all such positive motion pictures produced by "said Compagnie Generale" as the Licensee may need to fill its orders therefor, until it has repaired or rebuilt such buildings and repaired or replaced such apparatus, which it agrees to do with all reasonable despatch.

11. The Licensor and the Licensee further mutually covenant and agree that the Licensor shall charge to and receive from the Licensee, and the Licensee shall pay to the Licensor, on all positive motion pictures, on film of a width of approximately one and three-eighths ($1\frac{3}{8}$) inches, leased and sold by the Licensee in the "territory aforesaid" and in Canada, as well as negative motion pictures used (as defined in paragraph 10) by the Licensee, in the "territory aforesaid," royalties not exceeding, during any year counting from June 20, 1912, the following rates, that is to say:

If the total number of running feet of positive motion pictures so leased and sold and negative motion pictures so used by the Licensee shall be four million (4,000,000) running feet or less, a royalty of one-half ($\frac{1}{2}$) a cent per running foot on the total number of running feet so leased, sold and used for that year; if such total number of running feet shall exceed four million (4,000,000) running feet but not exceed six million (6,000,000) running feet, a royalty of four and one-half ($4\frac{1}{2}$) mills per running foot on the total number of running feet so leased, sold and used for that year; if such total number of running feet shall exceed six million (6,000,000) running feet but not exceed eight million (8,000,000) running feet, a royalty of four (4) mills per running foot on the total number of running feet so sold, leased and used for that year; if such total number of running feet shall exceed eight million (8,000,000) running feet but not exceed ten million (10,000,000) running feet, a royalty of three and three-quarter ($3\frac{3}{4}$) mills per running foot on the total number of running feet so leased, sold and used for that year; and if such total number of running feet shall exceed ten million (10,000,000) running feet, a royalty of three and one-quarter ($3\frac{1}{4}$) mills per running foot on the total number of running feet so sold, leased and used for that year.

And for motion pictures on film narrower or wider than approximately one and three-eighths inch ($1\frac{3}{8}$ in.), the above mentioned royalty rates shall be reduced or increased in proportion to the reduction or increase in width of such narrower or wider film below or above the width of approximately one and three-eighths inch ($1\frac{3}{8}$ in.).

The Licensor and Licensee further agree that, in the first instance, as provided in paragraph 10, the Licensee shall pay to the Licensor royalties according to the minimum rate (three and one-quarter ($3\frac{1}{4}$) mills per running foot) aforesaid; that the Licensor shall, after each year ending June 20, adjust, according to the royalty schedule aforesaid, the royalty account of the Licensee as to the total number of running feet so sold, leased and used during such year ending June 20th and on which royalties have been charged and collected by the Licensor and paid by the Licensee during such year; and that the Licensee shall, within twenty (20) days after such adjustment and notice thereof to it by the Licensor, pay to the Licensor the balance of the royalties due by it to the Licensor according to such adjustment.

12. The Licensor and Licensee further mutually covenant and agree that no royalty other than or in addition to that provided for in paragraph 11, shall be charged to or collected from the Licensee by the Licensor under said reissued Letters Patent Nos. 13,329 and 12,192 and said Letters Patent Nos. 629,063 and 707,934, up to June 20, 1913, or during any renewal of this agreement up to August 31, 1914, the date of the expiration of said reissued Letters Patent Nos. 13,329 and 12,192, and no royalty whatever shall be charged to or collected from the Licensee by the Licensor under said letters patent after either the first, second and third claims of said reissued Letters Patent No. 13,329, and either of the claims of said reissued Letters Patent No. 12,192, in any suit, as hereinafter provided for, for infringement thereof, are held invalid by a court that last hears and decides such suit, or after August 31, 1914, during any renewal of this agreement; and that the Licensor shall charge royalties or rents for the use of all exhibiting or projecting machines capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, containing the inventions, or any of them, described and claimed in the aforesaid Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, licensed by the Licensor and that all such royalties or rents shall be collected by the Licensor, directly or indirectly, from the exhibitors using such machines, and shall be fixed by the Licensor and charged to and so collected from such exhibitors by the Licensor at such a rate as to average as nearly as possible a royalty or rental of Two Dollars (\$2.00) per week for each such licensed machine in use.

13. The Licensee further covenants and agrees not to lease, loan, rent out, sell or offer for sale, or otherwise dispose of, in the "territory aforesaid," without the consent in writing of the Licensor, motion pictures to anyone purchasing or otherwise obtaining, leasing, using, loaning, renting out, selling, offering for sale, or otherwise disposing of or dealing in, motion pictures containing the invention of said reissued Letters Patent No. 12,192, not the output of the Licensee or other licensees under said letters patent.

14. The Licensee further covenants and agrees to mark each and every camera which the Licensee may make or use under this agreement embodying the inventions of reissued Letters Patent No.

13,329, and Letters Patent Nos. 629,063 and 707,934, or any of them, with the word "Patented" followed by the dates of grant of all of the said Letters Patent the inventions claimed in which are embodied in the said camera or apparatus, and to photographically print the Licensee's trade-mark on the title of each positive motion picture on film of a greater width than approximately one (1) inch leased by the Licensee in the "lease territory aforesaid," and to mark conspicuously on the labels which shall be placed on boxes or packages containing positive motion pictures on film of a greater width than approximately one (1) inch leased by the Licensee in the "lease territory aforesaid," the following words and figures:

LICENSED MOTION PICTURE.

Manufactured and Leased by and Property of
Pathe Freres, New York City, N. Y., U. S. A.

(Patented in the United States August 31, 1897;
reissued January 12, 1904.)

The enclosed motion picture is leased only and upon the following terms and conditions:

1. That the lessee shall not sell or otherwise dispose of the same outright, but shall have only the right to sub-let or use such motion picture.

2. That the lessee shall permit such motion picture to be exhibited only on motion picture projecting machines licensed by the Motion Picture Patents Company of New Jersey under its patents covering such projecting machines.

3. That the lessee shall not have the right to sub-let such motion picture until such lessee has entered into an agreement in writing with the Motion Picture Patents Company containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect.

4. That the lessee or user thereof shall not make or permit others to make any reproduction commonly known as a "dupe," of such motion picture or any other motion picture containing the inventions of the above reissued patent.

5. That the lessee or user thereof shall not remove the trade-mark or trade name or title therefrom.

6. That the violation of any of the foregoing conditions, including the terms and conditions of the agreement referred to in 3, entitles the lessor to immediate possession of this motion picture without liability for any price which the lessee or the person in whose possession it is found, may have paid therefor.

15. The Licensee further covenants and agrees not to use, without the consent in writing of the Licensor, in the production of negative or positive motion pictures, under this agreement, except as hereinafter provided, the negative or positive motion pictures (or reproductions commonly known as "dupes" of the negative or positive motion pictures) of any other manufacturer or person, firm or corporation located either in the "territory aforesaid" or in any foreign country, whether the same have or have not been copyrighted in the "territory aforesaid" or in any foreign country; it being agreed between the Licensor and Licensee, however, that the Licensee may use such negative motion pictures for the production of positive motion pictures subject to the following conditions, namely: that such negative motion pictures have not been made in the "territory aforesaid," nor by persons, firms or corporations whose product George Kleine aforesaid may now or hereafter be licensed by the Licensor to import; that no motion pictures therefrom (or from negatives which are substantially copies thereof) shall have been previously sold, leased or publicly exhibited in the "territory aforesaid" or in Canada; that the exclusive rights thereto and for making prints therefrom for the "territory aforesaid" are purchased from the manufacturer thereof by the Licensee; that the subjects matter thereof are copyrighted in the "territory aforesaid" and the copyrights therefor owned by the Licensee; that the Licensee shall not permit infringements of such copyrights therefor; and that the total number of running feet of new subjects printed from such negatives so purchased shall not exceed ten per cent. (10%) of the Licensee's total releases of new subjects in any year beginning June 20th during the continuance of this agreement; it being further agreed between the Licensor and the Licensee, however, that nothing herein shall prevent or interfere with the importation by the Licensee of the negative motion pictures provided for in paragraph 10, and also that the foregoing conditions shall not apply to such imported negative motion pictures.

By the expression "running feet of new subjects" above referred to, and hereafter used, the parties hereto agree, is meant the aggregate amount ascertained by adding together the individual number of running feet of one print of each and every new motion picture on film of a greater width than approximately one (1) inch, regularly listed and offered for lease in the "lease territory aforesaid."

16. The Licensor has established the following scale of minimum prices (which the Licensee admits is a fair and reasonable one) for the lease of positive motion pictures on film of a greater width than approximately one (1) inch in the "lease territory aforesaid," embodying the invention of said reissued Letters Patent No. 12,192:

MOTION PICTURES ON ORDINARY FILM.

List	13	cents	per	running	foot.	
Standing Order	11	"	"	"	"	
Topical Pictures	9	"	net	per	running	foot.
Films leased between two and four months after release date.....	9	"	per	running	foot.	
Films leased between four and six months after release date.....	7	"	net	per	running	foot.
Films leased after six months after release date	any	price	net.			

MOTION PICTURES ON NON-INFLAMMABLE FILM.

List	14	cents	per	running	foot.
Standing Order	12	"	"	"	"

A rebate of 10 per cent. may be allowed on all of the above prices except on the 9 cent price for Topical Pictures and on the 7 cent price and lower prices which are net; said rebates to be due and payable between the 1st and 15th days of each of the months of March, May, July, September, November and January, on all motion pictures leased during the two months preceding each said period, provided all the terms and conditions of the agreement referred to in clause (3) of paragraph 24 have been faithfully observed.

The Licensor and Licensee further mutually covenant and agree that the Licensor shall fix and determine the minimum lease prices at which such motion pictures shall be leased by the Licensee in the "lease territory aforesaid," and shall change such scale of minimum prices from time to time as in its judgment market conditions

may require; and the Licensee further agrees that any changes which may hereafter be made in said scale of prices, and of which the Licensee shall be notified in writing by the Licensor, shall be accepted and adopted by the Licensee in the place and stead of the scale of prices above given or of any substitute or substitutes therefor adopted prior to such change each such notice to be given to the Licensee at least three weeks in advance of the change to be made.

17. The Licensor and Licensee further mutually covenant and agree that an order in the "lease territory aforesaid," for one or more such positive motion pictures of each and every new subject made or released by the Licensee (except chrono-photographic subjects and other special subjects that are announced and advertised as special by the Licensee and of which no copy or print is leased by the Licensee for less than list price within two (2) months after release date) when offered for lease in the regular order of business, shall constitute a "standing order" within the meaning of the scale of prices aforesaid or any substitute therefor hereafter adopted, said standing order to remain in force for not less than twenty-one (21) consecutive days; and the parties hereto further mutually covenant and agree that the minimum price at which any additional positive motion pictures shall be leased, in the "lease territory aforesaid," subsequent to the filling of a standing order, shall be fixed by the Licensor, and the latter hereby fixes such price as the same per running foot as the pictures furnished on such standing order, unless otherwise provided for in the scale of prices aforesaid or any substitute therefor hereafter adopted. The Licensee further covenants and agrees that all such positive motion pictures which may be hereafter leased by it in the "lease territory aforesaid," to persons not having a standing order, as above defined, shall in every case be leased at not less than the list price mentioned in said scale of prices or any substitute therefor hereafter adopted by the Licensor, except as provided for in Paragraph 19 as to "special motion pictures."

18. The Licensor and Licensee further mutually covenant and agree that such positive motion pictures made by or for the Licensee, and not leased or sold prior to June 20, 1912, shall be subject to the scale of prices aforesaid, and shall be leased in the "lease territory aforesaid," at not less than the prices fixed in said scale for positive motion pictures as provided for in Paragraphs 16 and 17.

19. The Licensor and Licensee further mutually covenant and agree that in the case of so-called "special motion pictures" (where it is agreed, by the Licensee, that the negative shall be the exclusive property of the person ordering the same, although remaining in the care and custody of the Licensee, and where positive prints therefrom shall be made from time to time on the order of such person), the price to be paid for the making of such negative and the lease of the first positive print therefrom in the "territory aforesaid" shall be fixed by the Licensor, and it hereby fixes the price at not less than fifty (50) cents per running foot, and the price at which positive prints therefrom, after the first, shall be leased in the "lease territory aforesaid," at not less than fifteen (15) cents per running foot; and it is further agreed by the Licensor and Licensee that the Licensee shall not, without the consent of the Licensor, lease more than five (5) prints of any such negative in any one year.

20. The Licensee further covenants and agrees not to lease such motion pictures in the "lease territory aforesaid," under any circumstances, either directly or indirectly, during the continuance of this agreement, at lower prices than those fixed and established as provided for in Paragraphs 16, 17, 18 and 19.

21. It is further mutually covenanted and agreed by the Licensor and Licensee that the Licensee shall have the right to sell or otherwise dispose of motion pictures in or for "said export territory," and that the prices above referred to in Paragraphs 16, 17, 18 and 19, or any substitute or substitutes for the same hereafter adopted by the Licensor, shall not apply to sales or shipments of motion pictures made *bona fide* for export, when the goods, addressed to the purchaser, agent or consignee, are delivered to the vessel or to a transportation company for transportation to "said export territory," and not otherwise.

The Licensor and the Licensee further mutually covenant and agree that in no case shall sales or shipments "for export" of motion pictures be knowingly made by the Licensee to persons, firms or corporations who such Licensee has reason to believe will reimport them into the "lease territory aforesaid" for sale or use.

22. The Licensor and the Licensee further mutually covenant and agree that the Licensee shall not sell or otherwise dispose of any negative motion pictures, nor sell or lease or offer for sale or

lease, in the "territory aforesaid," at reduced prices, motion pictures, on film of a greater width than approximately one (1) inch, which are second-hand or which have been used or which have become shop-worn or in any way damaged; but this provision shall not prevent the Licensee from selling as refuse in the "territory aforesaid" second-hand positive or negative motion pictures or motion pictures which have been used or become shop-worn or in any way damaged, to a manufacturer to manufacture other articles than motion pictures therefrom, but only after they have been rendered by the Licensee unsuitable for use as motion pictures by cutting or otherwise defacing them; or from selling exposed positive or negative film (either waste or in reels) known as "blank" film for use by dealers, renters or exhibitors for leaders or for spacing or for similar purposes, but which shall not and cannot be otherwise employed for the exhibition of motion pictures.

23. The Licensor and the Licensee further mutually covenant and agree that in the "lease territory aforesaid," all leases of positive motion pictures by the Licensee shall be at the prices hereinbefore provided for, without the allowance of any discounts or rebates or other reduction by which a lessee might acquire positive motion pictures at lower prices than those set forth in Paragraphs 16, 17, 18 and 19, or any substitutes therefor hereafter adopted by the Licensor, and that the Licensee will not dispose of such positive motion pictures as premiums, or by lottery, or raffle, or any game of chance, or in any way whereby they may be acquired directly or indirectly for less than the prices set forth in Paragraphs 16, 17, 18 and 19, or substitutes therefor.

The Licensee further covenants and agrees that, in the "lease territory aforesaid," the Licensee will not sell or offer for sale other goods or merchandise at less than current prices in order to induce the lease of positive motion pictures, nor present or donate other goods or merchandise or prizes, or make use of credit cards or trading stamps, or offer any premiums of any kind whatsoever to induce the lease of such positive motion pictures.

24. It is further mutually covenanted and agreed by and between the Licensor and Licensee that no lease of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be made in the "lease territory aforesaid" by the Licensee, except upon and subject to the following terms and conditions, the

substance of which (with the exception of the conditions as to the return of positive motion pictures hereinafter referred to) shall be expressed in a printed notice on the labels, as provided for in Paragraph 14, accompanying each positive motion picture, namely, (1) that the lessee of such positive motion picture shall not sell or otherwise dispose of the same outright, but shall only have the right to use such positive motion picture in giving motion picture exhibitions in machines licensed by the Licensor under the said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, or one or more of them, or under any other Letters Patent that it may hereafter acquire or control, or to sub-lease such motion picture for use in such machines; and (2) that the lessee shall not make or permit others to make any reproduction commonly known as a "dupe" of such positive motion picture or any other positive motion picture containing the invention of said reissued Letters Patent No. 12,192; and (3) that the lessee shall not sub-lease the same or any other positive motion picture on film of a greater width than approximately one (1) inch containing the invention of said reissued Letters Patent No. 12,192, for use in giving motion picture exhibitions, until such lessee has entered into an agreement in writing with the Licensor containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect; and (4) that the lessee of such positive motion picture shall not remove the trade-mark or trade name or title therefrom; and (5) that the lessee shall return to the Licensee (without any payment therefor except the transportation charges incident to the return of the same) on the first day of every month, beginning with July, 1912, an amount of positive motion pictures (on film of a greater width than approximately one (1) inch) in running feet (not leased by the Licensee over six months before) and of the make of the Licensee equal to ninety (90) per cent. of the amount that was so leased during the seventh month preceding the date of each such return, with the exception, however, that where any such positive motion pictures are destroyed by fire or lost in transportation, and proof satisfactory to the Licensee is furnished as to such destruction or loss, the amount so destroyed or lost shall be deducted from the amount to be returned as afore-

said; and (6) that the violation of any of the foregoing conditions, including the terms and conditions of the agreement referred to in condition 3 above, entitles the lessor to immediate possession of such motion picture without liability for any price which the lessee, or the person in whose possession it is found, may have paid therefor.

The Licensee further covenants and agrees that in the "lease territory aforesaid" the Licensee will not discriminate in favor of any lessee, or place upon any motion pictures any restrictions, other than those specified in this paragraph and Paragraph 14, unless authorized by the Licensor.

25. The Licensee covenants and agrees that in the "lease territory aforesaid" the Licensee will dispose of positive motion pictures, on film of a greater width than approximately one (1) inch, only by the sale "for export" and shipment thereof into "said export territory," or by the lease thereof to others for the purpose only of either sub-leasing the same to persons, firms or corporations using such motion pictures for giving exhibitions thereof in exhibiting or projecting machines licensed by the Licensor containing the inventions or some of them, described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, or in Letters Patent hereafter acquired or controlled by the Licensor, or of using the same in such machines so licensed; and will not use the same for the purpose of giving exhibitions thereof for profit, directly or indirectly; it being expressly understood and agreed by and between the Licensor and Licensee, however, that the Licensee shall be at liberty to give exhibitions of such positive motion pictures without profit, directly or indirectly, and to possible or prospective lessees or purchasers thereof; and the Licensee further covenants and agrees not to knowingly allow its positive motion pictures, on film of a greater width than approximately one (1) inch, to be leased for use with any exhibiting or projecting machine not licensed by the Licensor under the Letters Patent mentioned in this paragraph, and that it may hereafter acquire or control, or one or more of them, except by and with the consent of the Licensor; and also to refrain from supplying such motion pictures for use with any exhibiting or projecting machine, the license for which, under the aforesaid Letters Patent, or one or more of them, has been terminated, and the Licensee has been notified thereof by the Licensor;

and also to refrain from supplying such motion pictures to any lessee who may sub-let such motion pictures to persons, firms or corporations using the same for giving exhibitions thereof in exhibiting or projecting machines not licensed by the Licensor as aforesaid, or the license for which has been terminated and the Licensee has been notified by the Licensor that any such lessee continues to so sub-let such motion pictures after being notified by the Licensor not to do so; and the Licensor covenants and agrees to promptly notify any such lessee who may so sub-let such motion pictures, after it has knowledge of any such sub-letting, and to notify the Licensee and the additional licensees hereafter provided for, or such of them as may at the time be licensees, of the termination of any license for the use of any exhibiting or projecting machines under the aforesaid Letters Patent, or any of them, and of any such lessee who may so sub-let such motion pictures, after being notified by it not to do so, and to compel all such additional licensees to refrain from supplying motion pictures for use with any such exhibiting or projecting machine, the license for which has been so terminated, or to any such lessee.

26. The Licensor and Licensee further mutually covenant and agree that the Licensor shall and will, during the continuance of this agreement, promptly institute suits against any and all infringers of the Letters Patent, or any of them, mentioned in this agreement, on the request of a majority of the licensees, including the Licensee and the several additional licensees hereinafter provided for, or such of them as may at the time be licensees, and will thereafter diligently prosecute any such suit or suits to final hearing and decision; all expense connected with the institution and prosecution of such suit or suits to be borne by the Licensor, who shall also be entitled to receive and apply to its own use all recoveries had therein for damages and profits.

The Licensor and Licensee further mutually covenant and agree that if, in case any such suit is brought upon said reissued Letters Patent Nos. 13,329, 12,192, or said Letters Patent Nos. 586,953 or 707,934, either of the claims of said reissued Letters Patent No. 12,192, or either of the first, second or third claims of said reissued Letters Patent No. 13,329, or any of the claims in issue in any such suit upon said Letters Patent Nos. 586,953, or

707,934, is or are held invalid by a court that last hears and decides such suit, or should be held by such court not to be infringed, then, and in any such case, the Licensee may at once terminate this agreement and the license thereby granted, by giving notice of its election so to do to the Licensor.

The Licensor and Licensee further mutually covenant and agree that the Licensor may, at its own expense (except as hereinafter provided) during the continuance of this agreement institute and prosecute suits against any of the several additional licensees hereinafter provided for; for any breach or violation on the part of any such licensee of the covenants respecting prices at which positive motion pictures shall be leased in the "lease territory aforesaid," and also for violation of any of the other terms, conditions or stipulations entered into by such licensee; that the Licensor shall at the end of each year, counting from June 20, 1912, render to the Licensee a statement in writing showing in detail all legal expenses incurred by it during such year in the prosecution of such suit or suits; and that up to, but not exceeding the sum of Twenty Thousand Dollars (\$20,000) for any such year, all such legal expenses, insofar as they may be reasonable and proper, shall be borne and paid by the Licensee and the several additional licensees hereinafter provided for, *pro rata* according to the number of thousand running feet of new subjects offered for lease or sale by each, relatively to the total number of thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale by all, in the "territory aforesaid," during the year preceding the rendition of such statement, any legal expenses in excess of said Twenty Thousand Dollars (\$20,000) during any such year to be borne and paid by the Licensor unless the Licensor and the Licensee and the several additional licensees hereinafter provided for should hereafter mutually agree otherwise.

27. It is mutually covenanted and agreed by and between the Licensor and Licensee that the Licensor may grant other licenses under said reissued Letters Patent Nos. 13,329 and 12,192, and said Letters Patent Nos. 629,063 and 707,934, so far as the use of the inventions thereof in cameras is concerned, said licenses to be in writing and not to exceed nine in number, and to be to the persons and corporations (or their successors in business) mentioned in Paragraph 2b as having license agreements with the Licensor

(except by a majority vote of the Licensee and the nine other licensees, or such of them as may at the time be licensees, on the basis of one vote for each thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale in the "territory aforesaid" by such licensees during the year preceding the taking of such vote, and not to be granted or continued upon terms, conditions or stipulations which are in any respect more favorable to the licensees named therein than those set forth in this agreement (except to the Edison Company, and that shall only be more favorable to it in the matter of the payment of royalties to the Licensor), and in the case of the license to George Kleine, it shall be so restricted as to prohibit said Kleine from manufacturing negative motion pictures in "the territory aforesaid," and from manufacturing, from imported negative motion pictures, positive motion pictures, and importing positive motion pictures, in all more than three thousand "running feet of new subjects" per week, except that the Licensor may, in addition thereto, grant him the right to import negative motion pictures of subjects more than one thousand five hundred (1,500) running feet in length and to manufacture positive motion pictures therefrom or have the same manufactured therefrom by the other additional nine licensees; *provided, however*, (a) that if any of such additional nine licenses should be terminated, during the continuance of this agreement, then and in each such case, the Licensor may grant a license in writing to some other motion picture manufacturer (or, in the case of George Kleine, some other importers), but not on terms, conditions or stipulations which are more favorable as to such new licensee than those set forth in this agreement; (b) that the Licensor may continue in the Eastman Kodak Company, a New York corporation, for the term of said reissued Letters Patent No. 13,329, and said Letters Patent Nos. 629,063 and 707,934, the right with which said Eastman Kodak Company is now vested by the Licensor, under said Letters Patent, to use such motion picture cameras as it may desire for its own use, including film testing; and (c) that the Licensor may, if requested so to do by the Licensee, or any of the additional nine (9) licensees aforesaid (except by George Kleine), grant licenses in writing to individuals to use motion picture cameras embodying the inventions of said reissued Letters Patent No. 13,329 and said Letters Patent Nos. 629,063

and 707,934, such cameras to be leased by the Licensee or one of the said additional nine (9) licensees aforesaid (except by George Kleine) by a non-transferable lease in writing in a form to be approved by the Licensor, and such cameras to be used by the individuals so licensed in making negatives which (or copies of which) are to be used by the Licensee or one of the other nine (9) licensees aforesaid (except George Kleine) in the production of positive motion pictures to be leased or sold by the Licensee or one of the other nine (9) licensees (except George Kleine) in the "lease territory aforesaid" or in Canada.

28. It is further mutually covenanted and agreed by and between the Licensor and the Licensee that the Licensor will, during the continuance of this agreement, license such a number of persons, firms or corporations under said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, to make and sell exhibiting or projecting machines containing the inventions described and claimed in the same, capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, and also such machines not capable of exhibiting or projecting motion pictures on film of a greater width than approximately one (1) inch, as will be able to supply the demand for the same; and that it shall not, and it hereby covenants and agrees that it will not, during the continuance of this agreement, license any person, firm or corporation under said Letters Patent or any of them to make or sell any such exhibiting or projecting machines containing any of the inventions described and claimed in said Letters Patent, and capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, except upon the conditions and restrictions that the sale and purchase of such machine gives only the right to use it solely for exhibiting or projecting motion pictures containing the inventions of said reissued Letters Patent No. 12,192, licensed by the Licensor, while it owns or controls the Letters Patent under which such machine is licensed and upon other terms, to be fixed by the Licensor, while in use and while the Letters Patent under which it is licensed are owned or controlled by the Licensor (which other terms shall only be the payment of a royalty or rental to the Licensor while in use, as hereinbefore provided for), and that there

shall be attached to each such machine, in a conspicuous place, a plate, which is not to be removed therefrom, showing plainly, not only the dates of the Letters Patent under which it is licensed, but also the aforesaid conditions or restrictions.

The Licensor further covenants and agrees that it will not charge any such person, firm or corporation manufacturing and selling any such machine capable of exhibiting or projecting motion pictures on a film of a width greater than approximately one (1) inch, more than Five Dollars (\$5.00) as a license fee for the sale of each such exhibiting or projecting machine sold by any such person, firm or corporation.

The Licensor further covenants and agrees that it will not license any person, firm or corporation to make or sell any exhibiting or projecting machine containing any of the inventions described and claimed in the aforesaid Letters Patent which is not capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, except upon the conditions and restrictions that such machines be used solely for exhibiting or projecting motion pictures on film not wider than approximately one (1) inch, in places where no admission fee is charged; and that there shall be attached to each such machine, in a conspicuous place, a plate, which is not to be removed therefrom, showing plainly, not only the dates of the Letters Patent under which it is licensed, but also the aforesaid conditions or restrictions; and that the Licensor will not charge to any person, firm or corporation making or selling any such machine a license fee of more than 5 per cent. of the net retail selling price of each such machine.

The Licensor further covenants and agrees that it will grant a license to the Licensee, upon its request, to manufacture and sell exhibiting or projecting machines under the Letters Patent referred to, and upon the condition as to the payment of the license fees or royalties and the other conditions and restrictions provided for, in this paragraph, and will not grant licenses thereunder to others on any more favorable terms or conditions, except the Biograph Company aforesaid, which is not to pay any such license fees or royalties; and will also grant a license to the Licensee to make and sell exhibiting or projecting machines under any other Letters Patent and containing the inventions described and claimed therein that

the Licensor may hereafter acquire or control, upon the payment of additional license fees or royalties to be fixed by the Licensor, and subject to similar conditions and restrictions and the placing upon the machines of plates containing such conditions and restrictions as are provided for in this paragraph respecting exhibiting or projecting machines made and sold under the Letters Patent now owned by the Licensor mentioned in this paragraph, and that it will not grant such licenses to others on any more favorable terms or conditions.

It is mutually covenanted and agreed, however, by and between the Licensor and Licensee, that the Licensor shall have the right to grant and that it will grant licenses to persons, firms and corporations upon their request (including the Licensee) to manufacture and sell exhibiting or projecting machines, containing the inventions described and claimed in the aforesaid Letters Patent now owned by the Licensor, capable of exhibiting or projecting, by reflected light, animated pictures on film of any width, but not capable of exhibiting or projecting the same by transmitted light, upon the payment of a royalty or license fee not to exceed 5 per cent. of the net retail selling price of each such machine, and upon the condition that they be used only in places where no admission fee is charged, which condition shall appear on a plate to be attached to each such machine; and also that it will grant licenses to such persons, firms and corporations to manufacture and sell such exhibiting or projecting machines containing the inventions described and claimed in any Letters Patent that the Licensor may hereafter own or control, subject to similar conditions or restrictions and upon the payment of additional license fees or royalties to be fixed by the Licensor; the royalty or license fee, and all the conditions and restrictions of all such licenses, to be the same for the Licensee and such other licensees.

29. The Licensor further covenants and agrees that it will keep separate books of account showing all the royalties or rents charged to or received, directly or indirectly, from all persons, firms, or corporations for the use of any exhibiting or projecting machines containing any of the inventions described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, or any other Letters Patent hereafter acquired or

controlled by the Licensor, which books of account shall, for the periods hereinafter provided for, be open to the inspection of the Licensee or its duly appointed agent or agents at all reasonable times.

The Licensor further covenants and agrees to render statements in writing to the Licensee within thirty days after June 20, 1913, June 20, 1914, and August 31, 1914, showing correctly all such royalties or rents collected by or paid to the Licensor during the two yearly periods ending June 20, 1913 and 1914, respectively, and the shorter period thereafter ending August 31, 1914, which statements shall be sworn to by an officer of the Licensor, if so requested by the Licensee, and to pay to the Licensee on the rendition of each such statement, a share of twenty-four (24) per cent. of such gross royalties or rents collected by or paid to the Licensor during the period covered thereby, by persons, firms or corporations for the use of exhibiting or projecting machines containing the inventions, or any of them, described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and any other Letters Patent hereafter acquired or controlled by the Licensor; which share shall be such proportion of said twenty-four (24) per cent. of said gross royalties or rents as the number of thousand running feet of motion pictures of a greater width than approximately one (1) inch on which the Licensor has actually charged and collected royalties from the Licensee during said period bears to the total number of thousand running feet of such motion pictures on which the royalties hereinbefore provided for have actually been charged and collected by the Licensor from the Licensee and the additional licensees during said period, after deducting the amount of such motion pictures of a greater width than approximately one (1) inch on which such royalties have been charged to and collected from the Biograph Company during said period, it being mutually understood and agreed that the said Biograph Company and the Edison Company are not to share in or be paid any part of said twenty-four (24) per cent. of said gross royalties or rents.

30. It is further mutually covenanted and agreed by and between the Licensor and Licensee that in case the Licensor should be notified by the Licensee or it should otherwise come to its knowledge that any such additional licensee has knowingly or through

gross neglect or carelessness broken, violated or failed to perform any of the terms, conditions or stipulations of the license granted by the Licensor resulting in substantial injury to the Licensor, or the Licensee or the additional licensees aforesaid, the Licensor will promptly notify such licensee in writing of such breach, violation or non-performance, and if such licensee should, for a period of forty (40) days after such notice, persist in or fail to correct, repair or remedy the same, the Licensor shall at once terminate the license to such licensee; and that in case any such licensee should be guilty of a second grossly neglectful, careless or knowing breach, violation or non-performance of such terms, conditions or stipulations, resulting in substantial injury to the Licensor, or the Licensee or the additional licensees aforesaid, then, and in such case, the Licensor shall terminate the license to such licensee by giving the latter thirty (30) days' notice in writing of its intention so to do.

31. The Licensor and Licensee further mutually covenant and agree that by the expression "motion pictures" as used in this agreement, is meant transparent or translucent tape-like film having photographs thereon of objects in motion, embodying the inventions in said reissue No. 12,192.

32. It is further mutually covenanted and agreed by and between the Licensor and Licensee that unless sooner terminated, as hereinbefore or hereinafter provided, this agreement and the license granted thereby shall take effect June 20, 1912, and shall continue until June 20th, 1913, but that the Licensee may renew this agreement and license thereafter for another year ending June 20, 1914, upon the same terms, conditions and stipulations as herein provided, by giving notice to the Licensor on or before May 20, 1913, of the Licensee's election to so renew this agreement and license, and upon the giving of such notice this agreement and the license thereby granted shall be considered and treated by the Licensor and Licensee as renewed for one year, ending June 20, 1914, and that the Licensee may again renew this agreement and license, upon the same terms, conditions and stipulations as herein provided, but only for the period from June 20th, 1914, to August 26th, 1919, the date of expiration of the Letters Patent No. 707,934, by giving notice to the Licensor on or before May 20, 1914, of the Licensee's election to so renew this agreement and license.

33. It is further mutually covenanted and agreed by and between the Licensor and Licensee that if, during said original term

or during any such renewal period, either party should knowingly or through gross neglect or carelessness, be guilty of a breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, and should, for the period of forty (40) days after notice thereof from the other party, persist therein or fail to correct, repair or remedy the same, then and in such case the party aggrieved may terminate this agreement by giving notice in writing to the guilty party of its intention so to do. It is, however, mutually covenanted and agreed by and between the Licensor and Licensee that if the guilty party should correct, repair or remedy such breach, violation or non-performance of its covenants, conditions and stipulations within the said period of forty (40) days after such notice, and should, thereafter knowingly or through gross neglect or carelessness be guilty of a second breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, then and in such case, the party aggrieved may terminate this agreement by giving thirty (30) days' notice in writing to the guilty party of its intention so to do. Such termination of the agreement, however, shall not prejudice either party hereto in the recovery of damages because of any such breach, violation or non-performance by the other party hereto.

34. It is mutually covenanted and agreed by and between the Licensor, the Licensee and the Edison Company that the license agreement between the Licensee and the Edison Manufacturing Company, mentioned in Paragraph 2a, shall from the date hereof be deemed suspended and shall not be acted under by any of the parties thereto during the continuance of this agreement, except that in case this license agreement shall be terminated for any breach, violation or non-performance of its covenants, conditions and stipulations, as hereinbefore provided, then simultaneously with such termination, said license agreement between the Licensee and the Edison Manufacturing Company shall be considered and be deemed terminated; and except further that any continuation of this agreement shall operate as a continuation in like manner of said agreement between the Licensee and the Edison Manufacturing Company, except that it shall not be continued beyond August 31, 1914, the date of the expiration of said reissued Letters Patent numbered 13,329 and 12,192. In case, however, the Licensor should become bankrupt, cease doing business or should be dissolved, voluntarily

or otherwise, or its charter should be repealed, then on the happening of either of such events, the Licensor shall and will forthwith assign to the Edison Company, its successors and assigns, the entire right, title and interest in and to said reissued Letters Patent Nos. 13,329 and 12,192, and the inventions therein set forth, together with all claims and demands, both at law and in equity, that it may have for infringement of said reissued Letters Patent, or either of them, and also on the happening of either of such events, this agreement shall forthwith terminate and be at an end, and also, forthwith and simultaneously with such termination (if before August 31, 1914), said agreement between the Licensee and the Edison Manufacturing Company, if the same has not terminated as hereinbefore provided, shall be and become of full force and effect, subject to continuation and termination thereof as therein provided.

35. It is further mutually covenanted and agreed by and between the Licensor, the Licensee and the Edison Company, that the agreement between the Licensor, the Licensee and the Edison Manufacturing Company, referred to in paragraph 2b, together with any and all agreements modifying the same, be and the same hereby is terminated as of June 19, 1912.

36. All notices provided for in this agreement shall be in writing and shall be given by delivering the same to the Licensor or Licensee, as the case may be, or to an officer of the Licensor or Licensee, as the case may be, or by depositing such notice, postage prepaid, in any Post-office of the United States, in a sealed envelope directed to the Licensor or the Licensee, as the case may be, at its last known Post-office address, to be forwarded by registered mail.

37. It is mutually covenanted and agreed by and between the Licensor and Licensee that after notice of the termination of this agreement and the license granted thereby by either party, as provided for in Paragraphs 26 and 33, and after the same have been terminated, no matter what the cause or manner of termination may be, neither this license agreement, nor the fact that the Licensee has entered into or acted under it, shall be used in any manner directly or indirectly, by or for the Licensor, its successors, assigns or legal representatives, or by or for others with its or their consent or permission, against the Licensee, or the Licensee's successors or legal representatives, in any litigation, controversy or proceeding involving the Licensee or them or any other persons, firms or cor-

porations, or in any other way; it being understood and agreed that upon such termination the positions and rights of the Licensor and Licensee shall be the same as if this agreement had not been made; *provided, however*, that the rights of neither party shall be prejudiced by such termination in the recovery of damages for any breach or other violation of this agreement by the other occurring prior to such termination.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENTS COMPANY,

By

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President.

Attest:

.....

Secretary.

THOMAS A. EDISON, INC.,

By

.....

President.

Attest:

.....

Secretary.

PATHE FRERES,

By

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Vice-President.

Attest:

.....

Secretary.

99.

LICENSE AGREEMENT.

(a) THIS AGREEMENT, made this 20th day of June, 1912, by and between the MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office in said State, party of the first part (hereinafter referred to as the "Licensor"), and THE PRECISION MACHINE COMPANY, INC., a corporation organized and existing under the laws of the State of New York and having an office and principal place of business in the Borough of Manhattan, City of New York, in said State, party of the second part, (hereinafter referred to as the "Licensee");

(b) WHEREAS, the Licensor represents that it is the owner of the entire right, title and interest in and to Letters Patent of the United States:

No. 578,185, dated March 2, 1897, for Vitascope, granted to Thomas Armat;

No. 580,749, dated April 13, 1897, for Vitascope, granted to Thomas Armat;

No. 586,953, dated July 20, 1897, for Phantoscope, granted to Charles F. Jenkins and Thomas Armat;

No. 588,916, dated August 24, 1897, for Kinetoscope, granted to Charles M. Campbell as the assignee of Willard G. Steward and Ellis F. Frost;

No. 673,329, dated April 30, 1901, for Kinetoscope, granted to The American Vitagraph Company as the assignee of Albert E. Smith;

No. 673,992, dated May 14, 1901, for Vitascope, granted to Thomas Armat;

No. 707,934, dated August 26, 1902, for Projecting Kinetoscope, granted E. & H. T. Anthony & Co. as assignees of Woodville Latham;

No. 722,382, dated March 10, 1903, for Animated Picture Apparatus, granted to American Mutoscope & Biograph Company as the assignee of John A. Pross;

No. 744,251, dated November 17, 1903, for Kinetoscope, granted Albert E. Smith;

No. 770,937, dated September 27, 1904, for Kinetoscope, granted The Vitagraph Company of America as the assignee of Albert E. Smith;

No. 771,280, dated October 4, 1904, for Winding-Reel, granted Albert E. Smith;

No. 785,205, dated March 21, 1905, for Flame-Shield for Kinetoscopes, granted The Vitagraph Company of America as the assignee of William Ellwood; and

No. 785,237, dated March 21, 1905, for Film-Holder for Kinetoscopes, granted The Vitagraph Company of America as the assignee of Albert E. Smith;

all of which said Letters Patent relate to improvements in the motion picture art, and that there are no outstanding licenses, shop rights or other rights under said Letters Patent, or either of them, except a license for Parlor Kinetoscopes granted The Karmata Company of Washington, D. C., under Letters Patent Nos. 578,185, 580,749, 586,953 and 673,992, and certain alleged licenses under U. S. Letters Patent No. 586,953, which are in dispute, claimed to be owned by the Edison Manufacturing Company, the American Graphophone Company, of Washington, D. C., and S. Lubin, of Philadelphia, Pa., and excepting a license granted by the American Mutoscope & Biograph Company to the firm of Marvin & Casler to manufacture and sell cameras and exhibiting or projecting machines under Letters Patent owned by it (some of which are hereinbefore referred to) for use in foreign countries only, and excepting certain licenses granted by the Armat Moving Picture Company to the American Mutoscope & Biograph Company under Letters Patent Nos. 578,185, 580,749, 586,953, 588,916 and 673,992, and by the latter Company to the former Company under Patents Nos. 707,934 and 722,382, which licenses are, however, by agreement between said parties, suspended and are not to be acted upon until the Licensor becomes bankrupt, ceases doing business or shall be dissolved voluntarily or otherwise, or its Charter shall be repealed; and

(c) WHEREAS, the Licensor further represents that it is the owner of the entire right, title and interest in and to reissued Letters Patent of the United States numbered 12,192, dated January 12, 1904, the original Letters Patent of which were numbered 589,168, and dated August 31, 1897, and that it has granted licenses

under the said reissued Letters Patent only to the following named persons, firms or corporations: American Mutoscope & Biograph Company, of New York City; Edison Manufacturing Company, of Orange, N. J.; Essanay Company, of Chicago, Illinois; Kalem Company, of New York City; George Kleine, of Chicago, Illinois; Lubin Manufacturing Company, of Philadelphia, Pa.; Pathe Freres, of New York City; Selig Polyscope Company, of Chicago, Illinois; The Vitagraph Company of America, of New York City; and that all of the said persons, firms or corporations have covenanted and agreed to lease only and not sell in the United States, its territories and possessions, except its insular possessions and Alaska, (hereinafter referred to as the "lease territory aforesaid") motion picture films manufactured or imported by them, of a width greater than approximately one inch (1 in.), and under the conditions and restrictions that the said films shall be used only on exhibiting or projecting machines licensed by the Licensors under United States Letters Patent owned by the Licensors; and

(d) WHEREAS, the Licensee is engaged in the manufacture and sale of motion picture exhibiting and projecting machines, and relying upon the representations of the Licensors and induced thereby, desires to obtain from the Licensors a license under the said United States Letters Patent;

(e) NOW, THEREFORE, the parties hereto, for and in consideration of the sum of one dollar to each in hand paid by the other, and for other good and valuable considerations, from each to the other moving, receipt of which is hereby acknowledged, have agreed as follows:

(1) The Licensors hereby grants to the Licensee for the term and subject to the covenants, conditions and stipulations hereinafter expressed, the right and license for the United States, its territories and possessions, to manufacture and sell motion picture exhibiting or projecting machines embodying one or more of the inventions described and claimed in the said United States Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237. The license hereby granted is personal to the Licensee, and in the event of the permanent discontinuance or retirement from business of the Licensee for a period of six consecutive months, the license hereby granted shall be immediately terminated.

(2) The Licensor, for itself, its successors, assigns and legal representatives, hereby releases, acquits and discharges the Licensee from any and all claims, demands and liability for profits and damages because of any infringement by the Licensee of one or more of the said United States Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237 or use by the Licensee of the inventions covered thereby.

(3) The Licensee hereby recognizes and admits the validity of each and all of the said United States Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and the Licensee agrees not to contest or question the same during the continuance of this agreement.

(4) The Licensee covenants and agrees that on all motion picture exhibiting or projecting machines containing one or more of the inventions described and claimed in the said United States Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, made in the United States, its territories and possessions, by the Licensee and sold after the license hereby granted shall take effect and during the continuance of this agreement, the Licensee will pay royalties as follows:

On each such machine capable of exhibiting or projecting by transmitted light, motion pictures on film of a width greater than approximately one inch (1 in.), a royalty of five dollars (\$5.00).

On each such machine not capable of exhibiting or projecting by transmitted light, motion pictures on film of width greater than approximately one inch (1 in.), a royalty of three per cent. (3%) of the net retail selling price of such machines.

On each such machine capable of exhibiting or projecting by reflected light, motion pictures on film of any width, but not capable of exhibiting or projecting the same by transmitted light, a royalty of three per cent. (3%) of the net retail selling price of such machines.

It is understood and agreed by and between the Licensor and the Licensee that the expression "motion picture exhibiting or projecting machine," as used hereinbefore or hereinafter, includes motion picture mechanisms or "heads" for such exhibiting or pro-

jecting machines, but not any repair parts or portions of such motion picture mechanisms or "heads."

The Licensee further covenants and agrees that the Licensee will, within fifteen (15) days after the last days of the months of November, February, May and August in each year, after this agreement takes effect, and during its continuance, submit a statement in writing, signed by the proper officer of the Licensee, and sworn to if requested by the Licensor, showing the number of exhibiting or projecting machines of each of the classes provided for in this paragraph, embodying one or more of the inventions described and claimed in the said United States Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, sold by the Licensee during the three months ending with the last days of the said months and at the same time pay the royalties due thereon. The first such statement and payment, however, shall be only for the period between February 1, 1909, and February 28, 1909. The Licensee further agrees to keep accurate books of account and to permit the Licensor to determine, through Messrs. Price, Waterhouse & Company, or any other reputable chartered accountants to be agreed upon by the parties hereto, the number of such exhibiting or projecting machines sold by the Licensee while this agreement is in effect, if the Licensor should so desire.

(5) The Licensee further covenants and agrees that each and every motion picture exhibiting or projecting machine capable of exhibiting or projecting by transmitted light, motion pictures on a film of a width greater than approximately one inch (1 in.), and embodying one or more of the inventions described and claimed in the said United States Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,922, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, made in the United States, its territories or possessions by the Licensee, shall be sold by the Licensee, except when sold for export, under the restriction and condition that such exhibiting or projecting machines shall be used solely for exhibiting or projecting motion pictures containing the inventions of re-issued Letters Patent No. 12,192, leased by a licensee of the Licensor while it owns said patents, and upon other terms to be fixed by the Licensor and complied with by the user while the said machine is in use and while the Licensor owns said patents (which

other terms shall only be the payment of a royalty or rental to the Licensor while in use). The Licensee further covenants and agrees that the Licensee will attach in a conspicuous place to each and every such exhibiting or projecting machine of the Licensee's manufacture, sold by the Licensee, except for export, after the date hereof, a plate showing plainly not only the dates of the Letters Patent under which the said machine is licensed, but also the following words and figures:

	Serial No.	
Patented	.	No.

The sale and purchase of this machine gives only the right to use it solely with moving pictures containing the invention of reissued patent No. 12,192, leased by a licensee of the Motion Picture Patents Company, the owner of the above patents and reissued patent, while it owns said patents, and upon other terms to be fixed by the Motion Picture Patents Company and complied with by the user while it is in use and while the Motion Picture Patents Company owns said patents. The removal or defacement of this plate terminates the right to use this machine.

(6) The Licensee further covenants and agrees that each and every motion picture exhibiting or projecting machine not capable of exhibiting or projecting by transmitted light, motion pictures on a film of a width greater than approximately one inch (1 in.), or capable of exhibiting or projecting motion pictures on film of any width, but only by reflected light, and embodying one or more of the inventions described and claimed in the said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and made in the United States, its territories and possessions, by the Licensee, shall be sold by the Licensee, except when sold for export, under the restriction and condition that the said exhibiting or projecting machine shall be used in exhibiting or projecting motion pictures only in places to which no admission fee is charged. The Licensee further covenants and agrees that the Licensee will attach in a conspicuous place to each and every such exhibiting or projecting machine of the Licensee's manufacture, sold by the Licensee, except for export, after the date hereof, a plate showing plainly not only the dates of the Letters Patent under which the said machine is

licensed, but also the following words and figures:

Patented

No.

The sale and purchase of this machine gives only the right to use it so long as this plate is not removed or defaced and in places to which no admission fee is charged.

(7) The Licensee further covenants and agrees that to each and every motion picture exhibiting or projecting machine of any kind, embodying one or more of the inventions described and claimed in the said United States Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and made in the United States, its territories and possessions by the Licensee, when sold bona fide for export, there shall be attached a plate showing plainly not only the dates of the Letters Patent under which the said machine is licensed, but also the following words and figures:

Patented

No.

Not licensed for use in the United States, its territories and possessions (except its insular possessions and Alaska).

It is understood by and between the parties hereto that by "export sales" is meant all sales for delivery outside of the "lease territory aforesaid," when the machine addressed to the purchaser, agent, or consignee, is delivered to the vessel or to a transportation company for transportation outside of the said "lease territory aforesaid," and not otherwise.

(8) The Licensee further covenants and agrees that the Licensee will not, after this agreement takes effect, make or sell repair parts for motion picture exhibiting or projecting machines which have been manufactured or imported and sold by any other person, firm or corporation, who or which is licensed by the Licensor to manufacture or import and sell motion picture exhibiting or projecting machines under any or all of the said United States Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237.

(9) The Licensee further covenants and agrees that the Licensee will not sell any exhibiting or projecting machine at less than the Licensee's list price for such machine, except to jobbers, and to other persons, firms and corporations for the purpose of resale, and that the Licensee will require such jobbers and other per-

sons, firms and corporations, to sell such machines at not less than the Licensee's list price for such machine. Nothing in this paragraph shall prohibit, however, the allowance of two per cent. (2%) discount from list price for ten days cash payments.

(10) The Licensee further covenants and agrees that the Licensee will not sell, after May 1, 1909, during the continuance of this agreement, any exhibiting or projecting machine capable of exhibiting or projecting by transmitted light, motion pictures on film of a width greater than approximately one inch (1 in.), at a less list price than One Hundred and Fifty Dollars (\$150), which list price may include the machine head, stereopticon attachment, film magazines, lamp house, arc lamp, rheostat, switch and switch box, and attaching cords, except, however, that for the last five named items may be substituted a gas burner and gas making outfit. It is further understood and agreed that such complete machines may be sold between February 1, 1909, and May 1, 1909, at a less list price than One Hundred and Fifty Dollars (\$150), but only to persons, firms or corporations not engaged in the business of renting motion picture films, and not for use in any permanent or fixed place of exhibition.

(11) It is further mutually covenanted and agreed by and between the Licensor and the Licensee, that the Licensor may grant other licenses to manufacture or import and sell motion picture exhibiting or projecting machines, under any or all of the said United States letters patent Nos. 578,185, 580,759, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, said licenses to be in writing, and if any of said licenses to an additional licensee of the licensor contains terms, conditions or stipulations more favorable to the additional licensee than the terms, conditions or stipulations of this agreement, (except to the Biograph Company of New York City, and to the Armat Moving Picture Company of Washington, D. C., who are to pay no royalties on any exhibiting or projecting machines embodying any or all of the inventions described and claimed in the aforesaid letters patent, and to the Vitagraph Company of America of New York City, the royalty rates to which under the aforesaid letters patent are to be only four-fifths ($\frac{4}{5}$) of those provided for herein, and to Thomas A. Edison, Inc., of Orange, N. J., and to the Marvin & Casler Company of Canastota, N. Y., neither of which is to pay

any royalties under the aforesaid letters patent on any exhibiting or projecting machines sold bona fide for export) then the licensor will upon demand of the licensee convey to the licensee terms, conditions and stipulations similar to those conveyed to said additional licensee.

(12) It is mutually covenanted and agreed by and between the Licensor and Licensee that, unless sooner terminated, as hereinbefore and hereinafter provided, this agreement, and the license granted thereby, shall take effect on June 20, 1912, and shall continue until June 20, 1913, but that the Licensee may renew this agreement and license thereafter from year to year upon the same terms, conditions and stipulations as herein provided, by giving notice to the Licensor on or before the 20th day of March in each year, beginning with the year 1913, of the Licensee's election to so renew this agreement and license and upon the giving of each such notice this agreement and the license thereby granted shall be considered and treated by the Licensor and Licensee as renewed for the period of one year, beginning June 20th of the year following such notice, and such notice and renewal may be given and made by the Licensee during the life or lives of each or all of the patents under which the Licensee is hereby licensed.

In case, however, that the Licensor should become bankrupt cease doing business, or should be dissolved, voluntarily or otherwise, or its Charter should be repealed, then, on the happening of either of such events, this agreement and the agreements made with the additional licensees hereinbefore provided for, that are then in force, shall forthwith terminate and be at an end.

(13) It is further mutually covenanted and agreed by and between the Licensor and Licensee, that if, during said original term or during any such renewal period, either party should, knowingly or through gross neglect or carelessness, be guilty of a breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, and should, for the period of forty (40) days after notice thereof from the other party persist therein or fail to correct, repair or remedy the same, then and in such case the party aggrieved may terminate this agreement by giving notice in writing to the guilty party of its intention so to do. It is, however, mutually covenanted and agreed by and between the Licensor and Licensee that if the guilty

party should correct, repair or remedy such breach, violation or non-performance of its covenants, conditions and stipulations within the said period of forty (40) days after such notice, and should thereafter knowingly or through gross neglect or carelessness be guilty of a second breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, then, and in such case, the party aggrieved may terminate this agreement by giving thirty (30) days' notice in writing to the guilty party of its intention so to do. Such termination of the agreement, however, shall not prejudice either party hereto in the recovery of damages because of any such breach, violation or non-performance by the other party hereto.

(14) All notices provided for in this agreement, shall be in writing and shall be given by delivering the same to the Licensor or Licensee, as the case may be, or by depositing such notices, postage prepaid, in any postoffice of the United States, in a sealed envelope directed to the Licensor or Licensee, as the case may be, at its last known postoffice address, to be forwarded by registered mail.

(15) It is mutually covenanted and agreed by and between the Licensor and Licensee that after notice of the termination of this agreement and the license granted thereby by either party, as provided for in Paragraph 13 of this agreement, and after the same have been terminated, no matter what the cause or manner of termination may be, neither this license agreement, nor the fact that the Licensee has entered into or acted under it, shall be used in any manner, directly or indirectly, by or for the Licensor, its successors, assigns or legal representatives or by or for others with its or their consent or permission against the Licensee, or the Licensee's successors or legal representatives, in any litigation, controversy or proceeding involving the Licensee, or them, or any other persons, firms or corporations, or in any other way, it being understood and agreed that upon such termination the positions and rights of the Licensor and Licensee shall be the same as if this agreement had not been made; *provided, however*, that the rights of neither party shall be prejudiced by such termination in the recovery of damages for any breach or other violation of this agreement by the other occurring prior to such termination.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENTS COMPANY,

By H. N. Marvin,
Vice-President.

(Seal)

Attest:

Wm. Pelzer,
Secretary.

THE PRECISION MACHINE CO., INC.,

By Edwin S. Porter,
President.

(Seal)

Attest:

F. B. Cannock,
Secretary.

100.

Exchange Bulletin—No. 36.

MOTION PICTURE PATENTS COMPANY

80 FIFTH AVENUE

NEW YORK CITY

August 27th, 1912.

Pursuant to Paragraph 20 of your License Agreement, you are hereby notified that the Conditions of License have been changed, by the cancellation of Paragraph 9 thereof and the substitution therefor of the following:

9. The Licensee shall on the first day of every month return to each Licensed Manufacturer or Importer (without receiving any payment therefor, except that the said Licensed Manufacturer or Importer shall pay the transportation charges incident to the return of the same) a number of reels of positive motion pictures of approximately 1,000 feet in length and of the make of the said Licensed Manufacturer or Importer, equal to the number of reels of approximately 1,000 feet in length of licensed motion pictures leased from said Licensed Manufacturer or Importer during the seventh month preceding the day of each such return, with the exception, however, that where any such motion pictures are destroyed or lost in transportation or otherwise, and satisfactory proof is furnished, within fourteen (14) days after such destruction or loss, to the Licensed Manufacturer or Importer from whom such motion picture was leased, the Licensed Manufacturer or Importer shall deduct the reels so destroyed or lost from the number of reels to be returned. On the first day of each month the licensee shall forward to each Licensed Manufacturer or Importer a statement of the names of the subjects and the number of reels of positive motion pictures returned on that day.

This change in the Conditions of License will become effective on the First day of October, 1912, and all motion pictures due to be returned to the Manufacturer or Importer on that day shall be returned and reported under and in accordance with the foregoing change in the conditions of your License. Please note that all returns must be of the Manufacturer's or Importer's own make or importation.

MOTION PICTURE PATENTS COMPANY,

By H. N. MARVIN,

Vice-President.

101.

Exchange Bulletin—No. 37.

MOTION PICTURE PATENTS COMPANY

80 FIFTH AVENUE

NEW YORK CITY

October 15th, 1912.

Pursuant to paragraph 20 of your License Agreement, you are hereby notified that the Conditions of License have been changed by the cancellation of Paragraph 5 thereof and the substitution therefor of the following:

5. To permit the Licensee to take advantage of any standing order leasing price mentioned in such schedule, such standing order with any Licensed Manufacturer or Importer shall be for one or more prints of each and every subject regularly produced, and offered for lease by such manufacturer or importer as a standing order subject and not advertised as special by such Licensed Manufacturer or Importer; and shall remain in force for not less than twenty-one (21) consecutive days. Any standing order may be canceled or reduced by the Licensee on twenty-one (21) days' notice. Extra prints in addition to a standing order shall be furnished to the Licensee at the standing order leasing price.

The schedule of Leasing Prices of Licensed Positive Motion Pictures which became effective July 17, 1911, pursuant to notice embodied in Exchange Bulletin No. 32, dated June 30, 1911, is further modified, and the following scale of minimum prices for leasing motion pictures has been adopted:

MOTION PICTURES ON NON-INFLAMMABLE FILM.

List	14	cents per running foot.
Standing Order	12	" " " "

MOTION PICTURES ON ORDINARY FILM.

List	13	cents per running foot.
Standing Order	11	" " " "
Topical Pictures	9	" net per running foot.
Films leased between two and four months after release date.....	9	" per running foot.
Films leased between four and six months after release date.....	7	" net per running foot.
Films leased after six months after release date		any price, net.

A rebate of 10 per cent. will be allowed on all leases of licensed motion pictures, except on the 9 cent price for Topical Pictures and on the 7 cent price and lower prices which are net; said rebates to be due and payable between the 1st and 15th days of each of the months of March, May, July, September, November and January, on all motion pictures leased during the two months preceding each said period, provided all the terms and conditions of the License Agreement have been faithfully observed.

The foregoing changes in the Conditions of License and Leasing Prices of Licensed Positive Motion Pictures forming part of your Exchange License Agreement will become effective on November 1st, 1912.

MOTION PICTURE PATENTS COMPANY,

BY H. N. MARVIN,

Vice-President.

102.

New York, January 15, 1913.

Eastman Kodak Company,
345 State Street,
Rochester, New York.

Dear Sirs:—

We have elected, under our agreement with you of January 1st, 1909, as modified by our agreement with you of February 14, 1911, to terminate said agreement so modified sixty days from the date hereof, namely, on the 16th day of March, 1913, and we do hereby terminate the same as of said date.

Very truly yours,

MOTION PICTURE PATENTS COMPANY,

By

HNM:DP /

President.

103.

New York, January 15, 1913.

Eastman Kodak Company,
345 State Street,
Rochester, New York.

Dear Sirs:—

We have elected, under our agreement with you of June 15, 1909, as modified by our agreement with you of February 14, 1911, to terminate said agreement so modified on July 1st, 1913, and do hereby terminate the same as of said date.

Very truly yours,

MOTION PICTURE PATENTS COMPANY,

By

HNM-DP

President.

104.

LICENSE AGREEMENT.

1. THIS AGREEMENT, made this 1st day of February, 1913, by and between MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Orange, in said State, party of the first part (hereinafter referred to as the Licensor); and GEORGE KLEINE, of Chicago, Illinois; party of the second part (hereinafter referred to as the Licensee), WITNESSETH that:

2. WHEREAS, the Licensor represents that it is organized to own, deal in and grant licenses under Letters Patent pertaining to the motion picture art, and that it is the owner of all the right, title and interest in and to the following United States Letters Patent, all relating to improvements in the motion picture art:

No. 578,185, dated March 2, 1897, for Vitascope, granted to Thomas Armat;

No. 580,749, dated April 13, 1897, for Vitascope, granted to Thomas Armat;

No. 586,953, dated July 20, 1897, for Phantoscope, granted to Charles F. Jenkins and Thomas Armat;

No. 588,916, dated August 24, 1897, for Kinetoscope, granted to Charles M. Campbell, as the assignee of Willard G. Steward and Ellis F. Frost;

No. 629,063, dated July 18, 1899, for Kinetoscopic Camera, granted to American Mutoscope Company as the assignee of Herman Casler;

No. 673,329, dated April 30, 1901, for Kinetoscope, granted to The American Vitagraph Company as the assignee of Albert E. Smith;

No. 673,992, dated May 14, 1901, for Vitascope, granted to Thomas Armat;

No. 707,934, dated August 26, 1902, for Projecting Kinetoscope, granted E. & H. T. Anthony & Co. as assignee of Woodville Latham;

No. 722,382, dated March 10, 1903, for Animated Picture Apparatus, granted to American Mutoscope & Biograph Company as the assignee of John A. Pross;

No. 744,251, dated November 17, 1903, for Kinetoscope, granted Albert E. Smith;

No. 12,192, dated January 12, 1904, for Kinetoscopic Film, granted to Thomas A. Edison, the same being based on letters patent numbered 589,168, dated August 31, 1897;

No. 770,937, dated September 27, 1904, for Kinetoscope, granted the Vitagraph Company of America as the assignee of Albert E. Smith;

No. 771,280, dated October 4, 1904, for Winding-Reel, granted Albert E. Smith;

No. 785,205, dated March 21, 1905, for Flame-Shield for Kinetoscopes, granted The Vitagraph Company of America as the assignee of William Ellwood;

No. 785,237, dated March 21, 1905, for Film-Holder for Kinetoscopes, granted The Vitagraph Company of America as the assignee of Albert E. Smith; and

No. 13,329, dated December 5, 1911, for Kinetoscope, granted to the Licensor, as assignee, by mesne assignments of Thomas A. Edison, the same being also a reissue of letters patent No. 589,168, aforesaid, and for the invention set forth in a previous reissue thereof numbered 12,037, dated September 30, 1902;

and that there are no licenses, shop-rights or other rights outstanding, to any person, firm or corporation engaged in the business of manufacturing and selling or leasing motion pictures, to manufacture and sell or lease to others motion pictures embodying the inventions of said reissued letters patent No. 12,192, or to manufacture or use in carrying on such business, cameras embodying the inventions of said reissued letters patent No. 13,329 and said letters patent Nos. 629,063 and 707,934, except as follows:

2a. A certain license granted under said reissued letters patent Nos. 12,037 and 12,192 by the Edison Manufacturing Company of Orange New Jersey, (predecessor in business of Thomas A. Edison, Incorporated, a corporation of New Jersey, of Orange, New Jersey, said Thomas A. Edison, Incorporated, being hereinafter referred to as the Edison Company); to Pathe Freres, of New York, under an agreement in writing between it and the latter, dated May 20, 1908, and taking effect June 20, 1908, and certain other licenses granted, under said reissued letters patent, by said Edison Manufacturing Company to the Kalem Company, of New York; the

Essanay Company, of Chicago; Siegmund Lubin, of Philadelphia; Gaston Melies, of New York (for himself and as attorney for George Melies, of Paris, France); Selig Polyscope Company, of Chicago, and the Vitagraph Company of America, of New York, under agreements in writing between said Edison Manufacturing Company and said several licensees; dated January 31, 1908; which said agreements, dated May 20, 1908, and January 31, 1908 (except that to which Gaston Melies was a party), were suspended by the parties thereto in and by the license agreements next referred to, to which said licensees (or their successors) were parties; and

2b. Certain licenses granted, under said reissued letters patent Nos. 12,037 and 12,192, and said letters patent Nos. 629,063 and 707,934, by the Licensor, to Thomas A. Edison, Inc., aforesaid; Biograph Company, of New Jersey; Essanay Film Manufacturing Company, of Illinois; Kalem Company aforesaid; Lubin Manufacturing Company, of Pennsylvania, successor of Siegmund Lubin aforesaid; Pathe Freres aforesaid; Selig Polyscope Company aforesaid; and Vitagraph Company of America aforesaid, under agreements in writing between the Licensor and said several licensees, dated June 6, 1912, at which time a certain license was also granted by the Licensor, under said reissued letters patent No. 12,192, to the Licensee and also a license to Gaston Melies (for himself and as attorney for George Melies, of Paris, France), these other licensees, and their successors as such as well as any other motion picture manufacturers and importers hereafter licensed by the Licensor, being hereinafter referred to as the "additional licensees aforesaid"; and

3. WHEREAS, the Licensee desires, on the termination of his license agreement aforesaid of June 6, 1912, referred to in paragraph 2b hereof to engage in the manufacture, sale and leasing of motion pictures, including the printing of positive motion pictures from negative motion pictures of the Licensee's own production, and, relying upon the aforesaid representations of the Licensor and induced thereby, desires to obtain from the Licensor a license under said two reissued Letters Patent numbered 13,329 and 12,192, and Letters Patent Nos. 629,063 and 707,934, and to lease positive motion pictures for use in exhibiting or projecting machines containing the inventions, or any of them described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,-

329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and to sell or lease positive motion pictures on film of a width approximately (1) inch or less in certain territory and on film of any width in certain territory:

4. NOW THEREFORE, the parties hereto, for and in consideration of the sum of One Dollar to each in hand paid by the other, and for other good and valuable considerations from each to the other moving, receipt of all of which is hereby acknowledged, have agreed as follows:

5. The Licensor hereby grants to the Licensee, for the term and subject to the covenants, conditions and stipulations herein-after expressed, and to take effect as provided in paragraph 29 hereof, the right and license under said reissued Letters Patent No. 13,329 and Letters Patent Nos. 629,063 and 707,934, for the United States, its territories, dependencies and possessions (hereinafter called the "territory aforesaid") to manufacture and use such a number of cameras embodying the inventions of said reissued Letters Patent No. 13,329 and Letters Patent Nos. 629,063 and 707,934, as may be necessary for the proper conduct of the Licensee's business, and to manufacture, print and produce positive motion pictures embodying the inventions of said reissued Letters Patent No. 12,192, and to lease the same in the United States, its territories, dependencies and possessions, (with the exceptions of its insular possessions and Alaska), hereinafter referred to as the "lease territory aforesaid," on film of a greater width than approximately one (1) inch, upon condition that they be used solely in exhibiting or projecting machines containing the inventions or some of them of said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and licensed by the Licensor, and to sell or lease positive motion pictures embodying the invention of said reissued Letters Patent No. 12,192, on film of a width approximately one (1) inch or less in the "lease territory aforesaid" and on film of any width in or for use in said insular possessions and Alaska and foreign countries, hereinafter referred to as "said export territory"; shipments thereto and sales and leases therefor being hereinafter referred to as "for export."

Except as hereinafter provided for in paragraph 32 hereof, the license hereby granted is personal to the Licensee and does not

include the right to dispose of, in the "territory aforesaid," any cameras embodying any invention covered by said reissued Letters Patent No. 13,329 and Letters Patent Nos. 629,063 and 707,934; and, in the event of the Licensee's permanent discontinuance of business or retirement therefrom for a period of six consecutive months, the license hereby granted shall be immediately terminated.

6. The Licensor, for itself, its successors, assigns and legal representatives, hereby releases, acquits and discharges the Licensee from any and all claims, demands and liability for profits and damages, because of any infringement by the Licensee of any or all of the aforesaid United States Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and reissued Letters Patent Nos. 13,329 and 12,192, or use by the Licensee of the inventions, or any of them, covered by said Letters Patent or either of them prior to the date hereof.

7. The Licensee hereby recognizes and admits the validity of said reissued Letters Patent No. 13,329, and the validity of said reissued Letters Patent No. 12,192 and Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 629,063, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, and agrees not to contest or question the same during the continuance of this agreement.

8. The Licensee further covenants and agrees that the Licensee will, within fifteen (15) days after the twentieth (20) day of each month after the license hereby granted takes effect, and during its continuance, submit a statement in writing, signed by the Licensee, and sworn to if requested by the Licensor, showing the total number of running feet of positive motion pictures sold and leased by the Licensee for use in the "territory aforesaid" and sold and leased by the Licensee in or for use in Canada, as well as the total number of running feet of negative motion pictures used by it in the "territory aforesaid" in the production of positive motion pictures sold or leased by the Licensee, during the period from the twentieth (20) day of the preceding calendar month to the twentieth (20) day of the month for which such statement is submitted, and will at the same time pay to the Licensor the royalties due on said amounts of motion pictures according to the minimum rate of royalty hereinafter provided for, and will, after each year ending

June 20, pay to the Licensor the additional royalties due thereon according to the royalty schedule provided for in Paragraph 9. The Licensee further covenants and agrees to keep correct books of account and to permit the Licensor to determine, by examination thereof, at all reasonable times and through any reputable chartered accountants to be selected by the Licensor, the number of running feet of positive motion pictures so leased and sold and negative motion pictures so used by the Licensee while this agreement is in effect, if the Licensor should so desire.

9. The Licensor and the Licensee further mutually covenant and agree that, during the continuance of the license hereby granted, the Licensor shall charge to and receive from the Licensee, and the Licensee shall pay to the Licensor, on all positive motion pictures, on film of a width approximately one and three-eighths ($1\frac{3}{8}$) inches, leased and sold by the Licensee in the "territory aforesaid" and in Canada, as well as negative motion pictures used (as defined in paragraph 8) by the Licensee, in the "territory aforesaid," royalties not exceeding, during any year counting from June 20, the following rates, that is to say:

If the total number of running feet of positive motion pictures so leased and sold and negative motion pictures so used by the Licensee shall be four million (4,000,000) running feet or less, a royalty of one-half ($\frac{1}{2}$) a cent per running foot on the total number of running feet so leased, sold and used for that year; if such total number of running feet shall exceed four million (4,000,000) running feet but not exceed six million (6,000,000) running feet, a royalty of four and one-half ($4\frac{1}{2}$) mills per running foot on the total number of running feet so leased, sold and used for that year; if such total number of running feet shall exceed six million (6,000,000) running feet but not exceed eight million (8,000,000) running feet, a royalty of four (4) mills per running foot on the total number of running feet so sold, leased and used for that year; if such total number of running feet shall exceed eight million (8,000,000) running feet but not exceed ten million (10,000,000) running feet, a royalty of three and three-quarter ($3\frac{3}{4}$) mills per running foot on the total number of running feet so leased, sold and used for that year; and if such total number of running feet shall exceed ten million (10,000,000) running feet, a royalty of three and one-quarter ($3\frac{1}{4}$) mills per running foot on the total number of running feet so sold, leased and used for that year.

And for motion pictures on film narrower or wider than approximately one and three-eighths inch ($1\frac{3}{8}$ in.), the above mentioned royalty rates shall be reduced or increased in proportion to the reduction or increase in width of such narrower or wider film below or above the width of approximately one and three-eighths inch ($1\frac{3}{8}$ in.).

The Licensor and Licensee further agree that, in the first instance, as provided in paragraph 8, the Licensee shall pay to the Licensor royalties according to the minimum rate (three and one-quarter ($3\frac{1}{4}$) mills per running foot) aforesaid; that the Licensor shall, after each year ending June 20, adjust, according to the royalty schedule aforesaid, the royalty account of the Licensee as to the total number of running feet so sold, leased and used during such year ending June 20th and on which royalties have been charged and collected by the Licensor and paid by the Licensee during such year; and that the Licensee shall, within twenty (20) days after such adjustment and notice thereof to it by the Licensor, pay to the Licensor the balance of the royalties due by it to the Licensor according to such adjustment, it being further agreed between the Licensor and Licensee that if the license hereby granted take effect prior to August 31, 1914, on a date other than June 20, there shall, for the purposes of such adjustment and payment, be added to the number of running feet so sold, leased and used by the Licensee and on which royalties have been charged and collected by the Licensor and paid by the Licensee, under the license hereby granted, prior to the next following June 20, the number of running feet so sold, leased and used by the Licensee and on which royalties have been charged and collected by the Licensor and paid by the Licensee; under the aforesaid license agreement of June 6, 1912, between the preceding June 20 and the date when the license hereby granted takes effect.

10. The Licensor and Licensee further mutually covenant and agree that after the license hereby granted takes effect, no royalty other than or in addition to that provided for in paragraph 9 shall be charged to or collected from the Licensee by the Licensor under said reissued Letters Patent Nos. 13,329 and 12,192, and said Letters Patent Nos. 629,063 and 707,934, up to June 20, 1913, or during any renewal of this agreement and the license granted thereby up to August 31, 1914, the date of the expiration of said

reissued Letters Patent Nos. 13,329 and 12,192, and no royalty whatever shall be charged to or collected from the Licensee by the Licensor under said letters patent after either the first, second and third claims of said reissued Letters Patent No. 13,329, and either of the claims of said reissued Letters Patent No. 12,192, in any suit, as hereinafter provided for, for infringement thereof, are held invalid by a court that last hears and decides such suit, or after August 31, 1914, during any renewal of this agreement and the license granted thereby; and that the Licensor shall charge royalties or rents for the use of all exhibiting or projecting machines capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, containing the inventions, or any of them, described and claimed in the aforesaid Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, licensed by the Licensor, and that all such royalties or rents shall be collected by the Licensor, directly or indirectly, from the exhibitors using such machines, and shall be fixed by the Licensor and charged to and so collected from such exhibitors by the Licensor at such a rate as to average as nearly as possible a royalty or rental of Two Dollars (\$2.00) per week for each such licensed machine in use.

11. The Licensee further covenants and agrees not to lease, loan, rent out, sell or offer for sale, or otherwise dispose of, during the continuance of the license hereby granted, in the "territory aforesaid," without the consent in writing of the Licensor, motion pictures to anyone purchasing or otherwise obtaining, leasing, using, loaning, renting out, selling, offering for sale, or otherwise disposing of, or dealing in, motion pictures containing the invention of said reissued Letters Patent No. 12,192, not the output of the Licensee or other licensees under said letters patent.

12. The Licensee further covenants and agrees to mark each and every camera which the Licensee may make or use under the license hereby granted embodying the inventions of reissued Letters Patent No. 13,329, and Letters Patent Nos. 629,063 and 707,934, or any of them with the word, "Patented," followed by the dates of grant of all of the said Letters Patent the inventions claimed in which are embodied in the said camera or apparatus, and to photographically print the Licensee's trade mark on the title of each

positive motion picture on film of a greater width than approximately one (1) inch, leased by the Licensee in the "lease territory aforesaid," and to mark conspicuously on the labels which shall be placed on boxes or packages containing positive motion pictures on film of a greater width than approximately one (1) inch leased by the Licensee in the "lease territory aforesaid," the following words and figures:

LICENSED MOTION PICTURE.

Manufactured and Leased by and Property of

(Patented in the United States August 31, 1897;
reissued January 12, 1904).

The enclosed motion picture is leased only and upon the following terms and conditions:—

1. That the lessee shall not sell or otherwise dispose of the same outright, but shall have only the right to sub-let or use such motion picture.

2. That the lessee shall permit such motion picture to be exhibited only on motion picture projecting machines licensed by the Motion Picture Patents Company of New Jersey under its patents covering such projecting machines.

3. That the lessee shall not have the right to sub-let such motion picture until such lessee has entered into an agreement in writing with the Motion Picture Patents Company containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect.

4. That the lessee or user thereof shall not make or permit others to make any reproduction commonly known as a "dupe," of such motion picture or any other motion picture containing the inventions of the above reissued patent.

5. That the lessee or user thereof shall not remove the trade-mark or trade name or title therefrom.

6. That the violation of any of the foregoing conditions, including the terms and conditions of the agreement referred to in 3, entitles the lessor to immediate possession of this motion picture without liability for any price which the lessee or the person in whose possession it is found, may have paid therefor.

13. The Licensee further covenants and agrees not to use, without the consent in writing of the Licensor, in the production of negative or positive motion pictures, under the license hereby granted, except as hereinafter provided, the negative or positive motion pictures (or reproductions commonly known as "duplicates" of the negative or positive motion pictures) of any other manufacturer or person, firm or corporation located either in the "territory aforesaid" or in any foreign country, whether the same have or have not been copyrighted in the "territory aforesaid" or in any foreign country; it being agreed between the Licensor and Licensee, however, that the Licensee may use such negative motion pictures for the production of positive motion pictures subject to the following conditions; namely: that such negative motion pictures have not been made in the "territory aforesaid," that no motion pictures therefrom (or from negatives which are substantially copies thereof) shall have been previously sold, leased or publicly exhibited in the "territory aforesaid" or in Canada; that the exclusive rights thereto and for making prints therefrom for the "territory aforesaid" are purchased from the manufacturer thereof by the Licensee; that the subjects matter thereof are copyrighted in the "territory aforesaid" and the copyrights therefor owned by the Licensee; that the Licensee shall not permit infringements of such copyrights therefor; and that the total number of running feet of new subjects printed from such negatives so purchased shall not exceed ten per cent. (10%) of the Licensee's total releases of new subjects under the license hereby granted, in the period between the date when such license takes effect (if on a date other than June 20) and the following June 20, nor thereafter in any year beginning June 20, during the continuance of the license hereby granted.

By the expression "running feet of new subjects" above referred to, and hereafter used, the parties hereto agree, is meant the aggregate amount ascertained by adding together the individual number of running feet of one print of each and every new motion picture on film of a greater width than approximately one (1) inch, regularly listed and offered for lease in the "lease territory aforesaid."

14. The Licensor has established the following scale of minimum prices (which the Licensee admits is a fair and reasonable one) for the lease of positive motion pictures on film of a greater width than approximately one (1) inch in the "lease territory aforesaid,"

embodying the invention of said reissued Letters Patent No. 12,192:

MOTION PICTURES ON ORDINARY FILM.

List	13 cents per running foot
Standing Order	11 cents per running foot
Topical Pictures	9 cents net per running foot
Films leased between two and four months after release date.....	9 cents per running foot
Films leased between four and six months after release date.....	7 cents net per running foot
Films leased after six months after release date	any price, net

MOTION PICTURES ON NON-INFLAMMABLE FILM.

List	14 cents per running foot
Standing Order	12 cents per running foot

A rebate of 10 per cent. may be allowed on all of the above prices except on the 9 cent price for Topical Pictures and on the 7 cent price and lower prices which are net; said rebates to be due and payable between the 1st and 15th days of each of the months of March, May, July, September, November and January, on all motion pictures leased during the two months preceding each said period, provided all the terms and conditions of the agreement referred to in clause (3) of Paragraph 24 have been faithfully observed.

The Licensor and Licensee further mutually covenant and agree that during the continuance of the license hereby granted, the Licensor shall fix and determine the minimum lease prices at which such motion pictures shall be leased by the Licensee in the "lease territory aforesaid," and shall change such scale of minimum prices from time to time as in its judgment market conditions may require; and the Licensee further agrees that any changes which may hereafter be made in said scale of prices, and of which the Licensee shall be notified in writing by the Licensor, shall be accepted and adopted by the Licensee in the place and stead of the scale of prices above given or of any substitute or substitutes therefor adopted prior to such change; each such notice to be given to the Licensee at least three weeks in advance of the change to be made.

15. The Licensor and Licensee further mutually covenant and agree that during the continuance of the license hereby granted, an order in the "lease territory aforesaid," for one or more such positive motion pictures of each and every new subject made or released

by the Licensee (except chrono-photographic subjects and other special subjects that are announced and advertised as special by the Licensee and of which no copy or print is leased by the Licensee for less than list price within two (2) months after release date) when offered for lease in the regular order of business, shall constitute a "standing order" within the meaning of the scale of prices aforesaid or any substitute therefor hereafter adopted, said standing order to remain in force for not less than twenty-one (21) consecutive days; and the parties hereto further mutually covenant and agree that the minimum price at which any additional positive motion pictures shall be leased, in the "lease territory aforesaid," subsequent to the filling of a standing order, shall be fixed by the Licensor, and the latter hereby fixes such price as the same per running foot as the pictures furnished on such standing order, unless otherwise provided for in the scale of prices aforesaid or any substitute therefor hereafter adopted. The Licensee further covenants and agrees that all such positive motion pictures which may be hereafter leased by it in the "lease territory aforesaid," under the license hereby granted to persons not having a standing order, as above defined, shall in every case be leased at not less than the list price mentioned in said scale of prices or any substitute therefor hereafter adopted by the Licensor, except as provided for in Paragraph 17 as to "special motion pictures."

16. The Licensor and the Licensee further mutually covenant and agree that such positive motion pictures made by or for the Licensee, and not leased or sold prior to the date on which the license hereby granted takes effect, shall be subject to the scale of prices aforesaid, and shall be leased in the "lease territory aforesaid," at not less than the prices fixed in said scale for positive motion pictures as provided for in Paragraphs 14 and 15.

17. The Licensor and Licensee further mutually covenant and agree that in the case of so-called "special motion pictures" (where it is agreed, by the Licensee, that the negative shall be the exclusive property of the person ordering the same, although remaining in the care and custody of the Licensee, and where positive prints therefrom shall be made from time to time on the order of such person), the price to be paid for the making of such negative and the lease of the first positive print therefrom in the "territory aforesaid" shall, during the continuance of the license hereby granted, be fixed by the

Licensor, and it hereby fixes the price at not less than fifty (50) cents per running foot, and the price at which positive prints therefrom, after the first, shall be leased in the "lease territory aforesaid," at not less than fifteen (15) cents per running foot; and it is further agreed by the Licensor and Licensee that the Licensee shall not, without the consent of the Licensor, lease more than five (5) prints of any such negative in any one year.

18. The Licensee further covenants and agrees not to lease such motion pictures in the "lease territory aforesaid," under any circumstances, either directly or indirectly, during the continuance of the license hereby granted, at lower prices than those fixed and established as provided for in Paragraphs 14, 15, 16 and 17.

19. It is further mutually covenanted and agreed by the Licensor and Licensee that during the continuance of the license hereby granted the Licensee shall have the right to sell or otherwise dispose of motion pictures in or for "said export territory," and that the prices above referred to in Paragraphs 14, 15, 16 and 17, or any substitute or substitutes for the same hereafter adopted by the Licensor, shall not apply to sales or shipments of motion pictures made bona fide for export, when the goods, addressed to the purchaser, agent or consignee, are delivered to the vessel or to a transportation company for transportation to "said export territory," and not otherwise.

The Licensor and the Licensee further mutually covenant and agree that in no case shall sales or shipments "for export" of motion pictures be knowingly made by the Licensee to persons, firms or corporations who such Licensee has reason to believe will reimport them into the "lease territory aforesaid" for sale or use.

20. The Licensor and the Licensee further mutually covenant and agree that during the continuance of the license hereby granted the Licensee shall not sell or otherwise dispose of any negative motion pictures, nor sell or lease or offer for sale or lease, in the "territory aforesaid," at reduced prices, motion pictures, on film of a greater width than approximately one (1) inch, which are second-hand or which have been used or which have become shop-worn or in any way damaged; but this provision shall not prevent the Licensee from selling as refuse in the "territory aforesaid" second-hand positive or negative motion pictures or motion pictures which have been used or become shop-worn or in any way damaged, to a manu-

facturer to manufacture other articles than motion pictures therefrom, but only after they have been rendered by the Licensee unsuitable for use as motion pictures by cutting or otherwise defacing them; or from selling exposed positive or negative film (either waste or in reels) known as "blank" film for use by dealers, renters or exhibitors for leaders or for spacing or for similar purposes, but which shall not and cannot be otherwise employed for the exhibition of motion pictures.

21. The Licensor and the Licensee further mutually covenant and agree that in the "lease territory aforesaid," all leases of positive motion pictures by the Licensee during the continuance of the license hereby granted shall be at the prices hereinbefore provided for, without the allowance of any discounts or rebates or other reduction by which a lessee might acquire positive motion pictures at lower prices than those set forth in Paragraphs 14, 15, 16 and 17, or any substitutes therefor hereafter adopted by the Licensor, and that the Licensee will not dispose of such positive motion pictures as premiums, or by lottery, or raffle, or any game of chance, or in any way whereby they may be acquired directly or indirectly for less than the prices set forth in Paragraphs 14, 15, 16 and 17, or substitutes therefor.

The Licensee further covenants and agrees that, in the "lease territory aforesaid," the Licensee will not during the continuance of the license hereby granted sell or offer for sale other goods or merchandise at less than current prices in order to induce the lease of positive motion pictures, nor present or donate other goods or merchandise or prizes, or make use of credit cards or trading stamps, or offer any premiums of any kind whatsoever to induce the lease of such positive motion pictures.

22. It is further mutually covenanted and agreed by and between the Licensor and Licensee that during the continuance of the license hereby granted no lease of positive motion pictures, on film of a greater width than approximately one (1) inch, shall be made in the "lease territory aforesaid" by the Licensee, except upon and subject to the following terms and conditions, the substance of which (with the exception of the conditions as to the return of positive motion pictures hereinafter referred to) shall be expressed in a printed notice on the labels, as provided for in Paragraph 12, accompanying each positive motion picture, namely, (1) that the lessee

of such positive motion picture shall not sell or otherwise dispose of the same outright, but shall only have the right to use such positive motion picture in giving motion picture exhibitions in machines licensed by the Licensor under the said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, or one or more of them, or under any other Letters Patent that it may hereafter acquire or control, or to sub-lease such motion picture for use in such machines; and (2) that the lessee shall not make or permit others to make any reproduction commonly known as a "dupe" of such positive motion picture or any other positive motion picture containing the invention of said reissued Letters Patent No. 12,192; and (3) that the lessee shall not sub-lease the same or any other positive motion picture on film of a greater width than approximately one (1) inch containing the invention of said reissued Letters Patent No. 12,192, for use in giving motion picture exhibitions, until such lessee has entered into an agreement in writing with the Licensor containing terms and conditions to be prescribed therein by it, and only while such lessee complies with all such terms and conditions and while such agreement remains in full force and effect; and (4) that the lessee of such positive motion picture shall not remove the trademark or trade name or title therefrom; and (5) that the lessee shall return to the Licensee (without any payment therefor except the transportation charges incident to the return of the same) on the first day of every month, beginning with the seventh calendar month after the license hereby granted takes effect, an amount of positive motion pictures (on film of a greater width than approximately one (1) inch) in running feet (not leased by the Licensee over six months) and of the make (under the license hereby granted) of the Licensee equal to ninety (90) per cent. of the amount that was so leased during the seventh month preceding the date of each such return, with the exception, however, that where such positive motion pictures are destroyed by fire or lost in transportation, and proof satisfactory to the Licensee is furnished as to such destruction or loss, the amount so destroyed or lost shall be deducted from the amount to be returned as aforesaid; and (6) that the violation of any of the foregoing conditions, including the terms and conditions of the agreement referred to in condition 3 above, entitles the lessor to immediate possession of such motion picture without liability for any

price which the lessee, or the person in whose possession it is found, may have paid therefor.

The Licensee further covenants and agrees that in the "lease territory aforesaid" the Licensee will not during the continuance of the license hereby granted discriminate in favor of any lessee, or place upon any motion pictures any restrictions, other than those specified in this paragraph and paragraph 12, unless authorized by the Licensor.

23. The Licensee covenants and agrees that in the "lease territory aforesaid" the Licensee will during the continuance of the license hereby granted dispose of positive motion pictures, on film of a greater width than approximately one (1) inch, only by the sale "for export" and shipment thereof into "said export territory," or by the lease thereof to others for the purpose only of either sub-leasing the same to persons, firms or corporations using such motion pictures for giving exhibitions thereof in exhibiting or projecting machines licensed by the Licensor containing the inventions or some of them, described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, or in Letters Patent hereafter acquired or controlled by the Licensor, or of using the same in such machines so licensed; and will not use the same for the purpose of giving exhibitions thereof for profit, directly or indirectly; it being expressly understood and agreed by and between the Licensor and Licensee, however, that the Licensee shall be at liberty to give exhibitions of such positive motion pictures without profit, directly or indirectly, and to possible or prospective lessees or purchasers thereof; and the Licensee further covenants and agrees not to knowingly allow its positive motion pictures, on film of a greater width than approximately one (1) inch, to be leased for use with any exhibiting or projecting machine not licensed by the Licensor under the Letters Patent mentioned in this paragraph, and that it may hereafter acquire or control, or one or more of them, except by and with the consent of the Licensor; and also to refrain from supplying such motion pictures for use with any exhibiting or projecting machine, the license for which, under the aforesaid Letters Patent, or one or more of them, has been terminated; and the Licensee has been notified thereof by the Licensor; and also to refrain from supplying such motion pictures to any lessee who may

sublet such motion pictures to persons, firms or corporations using the same for giving exhibitions thereof in exhibiting or projecting machines not licensed by the Licensor as aforesaid, or the license for which has been terminated and the Licensee has been notified by the Licensor that any such lessee continues to so sublet such motion pictures after being notified by the Licensor not to do so; and the Licensor covenants and agrees to promptly notify any such lessee who may so sublet such motion pictures, after it has knowledge of any such subletting, and to notify the Licensee and the additional licensees aforesaid or such of them as may at the time be licensees of the termination of any license for the use of any exhibiting or projecting machines under the aforesaid Letters Patent, or any of them, and of any such lessee who may so sublet such motion pictures, after being notified by it not to do so, and to compel all such additional licensees to refrain from supplying motion pictures for use with any such exhibiting or projecting machine, the license for which has been so terminated, or to any such lessee.

24. The Licensor and Licensee further mutually covenant and agree that the Licensor shall and will, during the continuance of the license hereby granted, promptly institute suits against any and all infringers of the Letters Patent, or any of them, mentioned in this agreement, on the request of a majority of the licensees, including the Licensee and the additional licensees aforesaid, or such of them as may at the time be licensees, and will thereafter diligently prosecute any such suit or suits to final hearing and decision; all expense connected with the institution and prosecution of such suit or suits to be borne by the Licensor, who shall also be entitled to receive and apply to its own use all recoveries had therein for damages and profits.

The Licensor and Licensee further mutually covenant and agree that if, in case any such suit is brought upon said reissued Letters Patent Nos. 13,329, 12,192, or said Letters Patent Nos. 586,953 or 707,934, either of the claims of said reissued Letters Patent No. 12,192 or either of the first, second or third claims of said reissued Letters Patent No. 13,329, or any of the claims in issue in any such suit upon said Letters Patent Nos. 586,953 or 707,934, is or are held invalid by a court that last hears and decides such suit, or should be held by such court not to be infringed, then, and in any such case, the Licensee may at once ter-

minate this agreement and the license thereby granted, by giving notice of its election so to do to the Licensor.

The Licensor and Licensee further mutually covenant and agree that the Licensor may, at its own expense (except as hereinafter provided) during the continuance of the license hereby granted, institute and prosecute suits against any of the several additional licensees aforesaid for any breach or violation on the part of any such licensee of the covenants respecting prices at which positive motion pictures shall be leased in the "lease territory aforesaid," and also for violation of any of the other terms, conditions or stipulations entered into by such licensee; that the Licensor shall at the end of each year, counting from June 20, render to the Licensee a statement in writing showing in detail all legal expenses incurred by it during such year in the prosecution of such suit or suits; and that up to, but not exceeding the sum of Twenty Thousand Dollars (\$20,000) for any such year, all such legal expenses, insofar as they may be reasonable and proper, shall be borne and paid by the Licensee and the several additional licensees aforesaid, pro rata according to the number of thousand running feet of new subjects offered for lease or sale by each, relatively to the total number of thousand running feet of new subjects, on film of a greater width than approximately one (1) inch, offered for lease or sale by all, in the "territory aforesaid," during the year preceding the rendition of such statement, any legal expenses in excess of said Twenty Thousand Dollars (\$20,000) during any such year to be borne and paid by the Licensor unless the Licensor and the Licensee and the several additional licensees aforesaid should hereafter mutually agree otherwise; it being further agreed between the Licensor and the Licensee that the number of thousand running feet of new subjects offered for lease or sale by the Licensee during such year, under the license agreement aforesaid of June 6th, 1912, to be added, for the purpose of so apportioning said legal expenses, to the number of thousand running feet of new subjects offered for lease or sale, during such year, by the Licensee under the license hereby granted.

25. It is further mutually covenanted and agreed by and between the Licensor and the Licensee that the Licensor will, during the continuance of the license hereby granted, license such a number of persons, firms or corporations under said Letters Patent, Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382,

744,251, 770,937, 771,280, 785,205 and 785,237, to make and sell exhibiting or projecting machines containing the inventions described and claimed in the same, capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, and also such machines not capable of exhibiting or projecting motion pictures on film of a greater width than approximately one (1) inch, as will be able to supply the demand for the same; and that it shall not, and it hereby covenants and agrees that it will not, during the continuance of the license hereby granted, license any person, firm or corporation under said Letters Patent or any of them to make or sell any such exhibiting or projecting machine containing any of the inventions described and claimed in said Letters Patent, and capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, except upon the conditions and restrictions that the sale and purchase of such machine gives only the right to use it solely for exhibiting or projecting motion pictures containing the inventions of said reissued Letters Patent No. 12,192 licensed by the Licensor, while it owns or controls the Letters Patent under which such machine is licensed and upon other terms, to be fixed by the Licensor, while in use and while the Letters Patent under which it is licensed are owned or controlled by the Licensor (which other terms shall only be the payment of a royalty or rental to the Licensor while in use, as hereinbefore provided for), and that there shall be attached to each such machine, in a conspicuous place, a plate, which is not to be removed therefrom, showing plainly, not only the dates of the Letters Patent under which it is licensed, but also the aforesaid conditions or restrictions.

The Licensor further covenants and agrees that during the continuance of the license hereby granted, it will not charge any such person, firm or corporation manufacturing and selling any such machine capable of exhibiting or projecting motion pictures on a film of a width greater than approximately one (1) inch, more than Five Dollars (\$5.00) as a licensee fee for the sale of each such exhibiting or projecting machine sold by any such person, firm or corporation.

The Licensor further covenants and agrees that during the continuance of the license hereby granted it will not license any person, firm or corporation to make or sell any exhibiting or pro-

jecting machine containing any of the inventions described and claimed in the aforesaid Letters Patent which is not capable of exhibiting or projecting motion pictures on film of a width greater than approximately one (1) inch, except upon the conditions and restrictions that such machines be used solely for exhibiting or projecting motion pictures on film not wider than approximately one (1) inch, in places where no admission fee is charged; and that there shall be attached to each such machine, in a conspicuous place, a plate, which is not to be removed therefrom, showing plainly, not only the dates of the Letters Patent under which it is licensed, but also the aforesaid conditions or restrictions; and that the Licensor will not charge to any person, firm or corporation making or selling any such machine a license fee of more than 5 per cent. of the net retail selling price of each such machine.

The Licensor further covenants and agrees that after the license hereby granted takes effect it will grant a license to the Licensee, upon its request, to manufacture and sell exhibiting or projecting machines under the Letters Patent referred to, and upon the condition as to the payment of the license fees or royalties and the other conditions and restrictions provided for, in this paragraph, and will not grant licenses thereunder to others on any more favorable terms or conditions, except the Biograph Company aforesaid, which is not to pay any such license fees or royalties, and will also grant a license to the Licensee to make and sell exhibiting or projecting machines under any other Letters Patent and containing the inventions described and claimed therein that the Licensor may hereafter acquire or control, upon the payment of additional license fees or royalties to be fixed by the Licensor, and subject to similar conditions and restrictions and the placing upon the machines of plates containing such conditions and restrictions as are provided for in this paragraph respecting exhibiting or projecting machines made and sold under the Letters Patent now owned by the Licensor mentioned in this paragraph, and that it will not grant such licenses to others on any more favorable terms or conditions.

It is mutually covenanted and agreed, however, by and between the Licensor and Licensee, that during the continuance of the license hereby granted the Licensor shall have the right to grant and that it will grant, licenses to persons, firms and corporations upon their request (including the Licensee) to manufacture and sell exhibiting

or projecting machines, containing the inventions described and claimed in the aforesaid Letters Patent now owned by the Licensor, capable of exhibiting or projecting, by reflected light, animated pictures on film of any width, but not capable of exhibiting or projecting the same by transmitted light, upon the payment of a royalty or license fee not to exceed 5 per cent. of the net retail selling price of each such machine, and upon the condition that they be used only in places where no admission fee is charged, which condition shall appear on a plate to be attached to each such machine; and also that it will grant licenses to such persons, firms and corporations to manufacture and sell such exhibiting or projecting machines containing the inventions described and claimed in any Letters Patent that the Licensor may hereafter own or control, subject to similar conditions or restrictions and upon the payment of additional license fees or royalties to be fixed by the Licensor; the royalty or license fee, and all the conditions and restrictions of all such licenses, to be the same for the Licensee and such other licensees.

26. The Licensor further covenants and agrees that during the continuance of the license hereby granted, it will keep separate books of account showing all royalties or rents charged to or received, directly or indirectly, from all persons, firms or corporations for the use of any exhibiting or projecting machines containing any of the inventions described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205, and 785,237, or any other Letters Patent hereafter acquired or controlled by the Licensor, which books of account shall, for the periods hereinafter provided for, be open to the inspection of the Licensee or its duly appointed agent or agents at all reasonable times.

The Licensor further covenants and agrees that, if prior thereto the license hereby granted should take effect, it will render statements in writing to the Licensee within thirty days after June 20, 1913, June 20, 1914, and August 31, 1914, showing correctly all such royalties or rents collected by or paid to the Licensor during the two yearly periods ending June 20, 1913, and 1914, respectively, and the shorter period thereafter ending August 31, 1914, which statements shall be sworn to by an officer of the Licensor, if so requested by the Licensee, and be limited to the periods in which said license is in effect, and will pay to the Licensee on the rendition of each such

statement, a share of twenty-four (24) per cent. of such gross royalties or rents collected by or paid to the Licensor during the period covered thereby, by persons, firms or corporations for the use of exhibiting or projecting machines containing the inventions or any of them described and claimed in said Letters Patent Nos. 578,185, 580,749, 586,953, 588,916, 673,329, 673,992, 707,934, 722,382, 744,251, 770,937, 771,280, 785,205 and 785,237, and any other Letters Patent hereafter acquired or controlled by the Licensor; which share shall be such proportion of said twenty-four (24) per cent. of said gross royalties or rents as the number of thousand running feet of motion pictures of a greater width than approximately one (1) inch on which the Licensor has actually charged and collected royalties from the Licensee during said period, under the license hereby granted as well as the license agreement aforesaid of June 6, 1912, bears to the total number of thousand running feet of such motion pictures on which the royalties hereinbefore provided for have actually been charged and collected by the Licensor from the Licensee and the additional licensees aforesaid during said period, after deducting the amount of such motion pictures of a greater width than approximately one (1) inch on which such royalties have been charged to, and collected from the Biograph Company during said period, it being mutually understood and agreed that the said Biograph Company, and the Edison Company are not to share in or be paid any part of said twenty-four (24) per cent. of said gross royalties or rents.

27. It is further mutually covenanted and agreed by and between the Licensor and Licensee that in case the Licensor should be notified by the Licensee or it should otherwise come to its knowledge during the continuance of the license hereby granted that any such additional licensee aforesaid has knowingly or through gross neglect or carelessness broken, violated or failed to perform any of the terms, conditions or stipulations of the license granted by the Licensor resulting in substantial injury to the Licensor, or the Licensee or the additional licensees aforesaid, the Licensor will promptly notify such licensee in writing of such breach, violation or non-performance, and if such licensee should, for a period of forty (40) days after such notice, persist in or fail to correct, repair or remedy the same, the Licensor shall at once terminate the license to such licensee; and that in case any such licensee should be guilty of a second grossly neglectful, careless or knowing breach, violation or

non-performance of such terms, conditions or stipulations, resulting in substantial injury to the Licensor, or the Licensee or the additional licensees aforesaid, then, and in such case, the Licensor shall terminate the license to such licensee by giving the latter thirty (30) days' notice in writing of its intention so to do.

28. The Licensor and Licensee further mutually covenant and agree that by the expression "motion pictures" as used in this agreement, is meant transparent or translucent tape-like film having photographs thereon of objects in motion, embodying the inventions in said reissue No. 12,192.

29. It is further mutually covenanted and agreed by and between the Licensor and Licensee that unless sooner terminated, as hereinbefore or hereinafter provided, this agreement shall take effect on the date first mentioned herein, but that the license granted thereby shall not take effect and become fully operative until the date on which the license agreement aforesaid of June 6, 1912, shall have been voluntarily terminated by the Licensee before any breach thereof by him, (except as to the conditions therein expressed as to the control by the Licensee of the importation of motion pictures manufactured by the foreign manufacturers or their substitutes referred to in paragraph 6 thereof), which date shall not be later, in any event, than September 5th, 1914; it being mutually understood and agreed that, in the event that the license hereby granted does not become fully effective on or before September 5th, 1914, this agreement and any rights granted thereby to the Licensee shall be immediately terminated; and it being also further mutually covenanted and agreed that this agreement and the license granted thereby (if the latter shall have become effective on or before June 20th, 1913) shall continue until June 20th, 1913, but that the Licensee may renew this agreement and such license (if then in effect) thereafter for another year ending June 20, 1914, upon the same terms, conditions and stipulations as herein provided, by giving notice to the Licensor on or before May 20, 1913, of the Licensee's election to so renew this agreement and license, and upon the giving of such notice this agreement and the license thereby granted shall be considered and treated by the Licensor and Licensee as renewed for one year, ending June 20th, 1914, and that the Licensee may again renew this agreement and such license (if then in effect) upon the same terms, conditions and stipulations as herein

provided, but only for the period from June 20th, 1914, to August 26th, 1919, the date of expiration of the Letters Patent No. 707,934, by giving notice to the Licensor on or before May 20, 1914, of the Licensee's election to so renew this agreement and license.

30. It is further mutually covenanted and agreed by and between the Licensor and Licensee that if, during said original term or during any such renewal period, either party should knowingly or through gross neglect or carelessness, be guilty of a breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, and should, for the period of forty (40) days after notice thereof from the other party, persist therein or fail to correct, repair or remedy the same, then and in such case the party aggrieved may terminate this agreement by giving notice in writing to the guilty party of its intention so to do. It is, however, mutually covenanted and agreed by and between the Licensor and Licensee that if the guilty party should correct, repair or remedy such breach, violation or non-performance of its covenants, conditions and stipulations within the said period of forty (40) days after such notice, and should, thereafter knowingly or through gross neglect or carelessness be guilty of a second breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, then and in such case, the party aggrieved may terminate this agreement by giving thirty (30) days' notice in writing to the guilty party of its intention so to do. Such termination of the agreement, however, shall not prejudice either party hereto in the recovery of damages because of any such breach, violation or non-performance by the other party hereto.

31. It is further mutually covenanted and agreed by and between the Licensor and the Licensee that the number of running feet sold, leased and used by the Licensee and on which royalties have been charged and collected by the Licensor and paid by the Licensee under the aforesaid license agreement of June 6, 1912, as well as the number of thousand running feet of new subjects offered for lease or sale by the Licensee under said agreement of June 6th, 1912, which are taken into consideration in this agreement for the purposes of the royalty adjustments and payments provided for in Paragraphs 9 and 26 hereof, and for the purpose of the apportionment and pay-

ment of legal expenses provided for in Paragraph 24 hereof, shall not be taken into consideration for such purposes respectively under the aforesaid license agreement of June 6th, 1912.

32. It is further covenanted and agreed by and between the Licensor and Licensee that the interests of the Licensee in this agreement and the license thereby granted may be assigned by the Licensee to a corporation to be organized hereafter by the Licensee, and that in such event, the license hereby granted shall be personal to such corporation and such corporation shall be deemed the successor of the Licensee to all of the benefits and the liabilities of the Licensee under this agreement in all respects, and shall be bound by each of the covenants, stipulations, and conditions of this agreement.

33. All notices provided for in this agreement shall be in writing and shall be given by delivering the same to the Licensor or Licensee, as the case may be, or to an officer of the Licensor or Licensee, as the case may be, or by depositing such notice, postage prepaid, in any Post Office of the United States, in a sealed envelope directed to the Licensor or the Licensee, as the case may be, at its last known Post Office address, to be forwarded by registered mail.

34. It is mutually covenanted and agreed by and between the Licensor and Licensee that after notice of the termination of this agreement and the license granted thereby by either party, as provided for in Paragraphs 24 and 30, and after the same have been terminated, no matter what the cause or manner of termination may be, neither this license agreement, nor the fact that the Licensee has entered into or acted under it, shall be used in any manner, directly or indirectly, by or for the Licensor, its successors, assigns or legal representatives, or by or for others with its or their consent or permission, against the Licensee, or the Licensee's successors or legal representatives, in any litigation, controversy or proceeding involving the Licensee or them or any other persons, firms or corporations, or in any other way; it being understood and agreed that upon such termination the positions and rights of the Licensor and Licensee shall be the same as if this agreement had not been made; provided, however, that the rights of neither party shall be prejudiced by such termination in the recovery of damages for any breach or other violation of this agreement by the other occurring prior to such termination.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their officers duly authorized to perform these acts, the day and year first above written.

MOTION PICTURE PATENTS COMPANY,

By

(Sd.) H. N. Marvin,
President.

(SEAL)

Attest:

(Sd.) Wm. Pelzer,
Secretary.

(Sd.) George Kleine.

Witness:

(Sd.) George F. Scull.

APPENDIX.

105.

LICENSE AGREEMENT.

(a) THIS AGREEMENT made this 3rd day of February, 1909, by and between the MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey and having an office at Jersey City, in said State, party of the first part (hereinafter referred to as the "LICENSOR") and EBERHARD SCHNEIDER, of New York City, New York, party of the second part, (hereinafter referred to as the "LICENSEE").

(b) WHEREAS, the Licensor represents that it is the owner of the entire right, title and interest in and to reissued Letters Patent of the United States numbered 12,192, dated January 12, 1904, the original letters patent of which are numbered 589,168, and dated August 31, 1897, and that there are no outstanding exclusive licenses or shop rights under the said reissued Letters Patent; and

(c) WHEREAS, the Licensee wishes to engage in the printing and production of positive motion pictures, and relying upon the aforesaid representations of the Licensor and induced thereby, desires to obtain from the Licensor a license under the said reissued Letters Patent No. 12,192.

(d) NOW, THEREFORE, THE PARTIES HERETO for and in consideration of the sum of One Dollar (\$1.00) to each in hand paid by the other, and for other good and valuable considerations from each to the other moving, receipt of all of which is hereby acknowledged, have agreed as follows:

(1) The Licensor hereby grants to the Licensee for the term and subject to the covenants, conditions, limitations and stipulations hereinafter expressed, the right and license under said reissued Letters Patent No. 12,192, to print and produce and lease positive motion pictures embodying the inventions of the said reissued Letters Patent No. 12,192. The license hereby granted does not include the right to print positive motion pictures from negatives of the Licensee's own production (except such negatives as may be made by the Licensee when acting as the employee of a manufacturer licensed by the Licensor under the said reissued Letters Patent No.

12,192) or from negatives other than those specified in Paragraph 4 hereof. This license is personal to the Licensee and in the event of the permanent discontinuance or retirement from business of the Licensee for a period of six consecutive months, the license hereby granted shall be immediately terminated.

(2) The Licensor, for itself, its successors, assigns, and legal representatives, hereby releases, acquits and discharges the Licensee from any and all claims, demands and liability for profits and damages, because of any infringement by the Licensee of the aforesaid reissued United States Letters Patent No. 12,192, or use by the Licensee of the inventions covered by said reissued Letters Patent.

(3) The Licensee hereby recognizes and admits the validity of said reissued Letters Patent No. 12,192, and agrees not to contest or question the same during the continuance of this agreement.

(4) The Licensee further agrees that after this agreement takes effect and during its continuance he will print and produce positive motion pictures only from negatives of motion pictures having a scientific character supplied to him by others, and will not print and produce such positive motion picture for, or lease such positive motion pictures to, any person, firms or corporations, who, or which, will not agree (1) that the lessee shall not sell or otherwise dispose of the said motion picture outright but shall have only the right to use such motion picture; (2) that the lessee shall not use such motion picture on motion picture projecting machines not licensed by the Motion Picture Patents Company of New Jersey under its patents covering such projecting machines; (3) that the lessee shall use such motion picture only for lecture purposes or for demonstrations before scientific and other learned societies and not in nickelodeons or any established places of amusement in which the exhibitions of motion pictures are regularly given; (4) that the lessee shall not make or permit others to make any reproductions commonly known as a "dupe" of such motion picture or any other motion picture containing the inventions of reissued Letters Patent No. 12,192; (5) that the lessee shall not remove the trademark or trade name or title therefrom; (6) that the violation of any of the foregoing conditions entitles the lessor to immediate possession of the said motion picture without any liability for any price which the lessee or the person in whose possession it is found, may have paid therefor.

The Licensee further covenants and agrees that he will refuse to make positive motion pictures for any person, firm or corporation, who, to the Licensee's knowledge, has violated any of the foregoing conditions as to any motion picture made by the Licensee for such person, firm or corporation.

(5) The Licensee further covenants and agrees to mark conspicuously on the labels which he shall place on boxes or packages containing positive motion pictures printed or produced by him, the following works and figures:

LICENSED MOTION PICTURE

Manufactured and Leased by and Property of
EBERHARD SCHNEIDER

(Patented in the United States August 31, 1897;
reissued January 12, 1904.)

The enclosed motion picture is leased only and upon the following terms and conditions:

1. That the lessee shall not sell or otherwise dispose of the same outright, but shall have only the right to use such motion picture.

2. That the lessee shall not use such motion picture on motion picture projecting machines not licensed by the Motion Picture Patents Company of New Jersey under its patents covering such projecting machines.

3. That the lessee shall use such motion picture only for lecture purposes or for demonstrations before scientific or other learned societies and not in nickelodeons or any established places of amusement in which exhibitions of motion pictures are regularly given.

4. That the lessee or user thereof shall not make or permit others to make any reproduction, commonly known as a "dupe" of such motion picture or any other motion picture containing the inventions of the above reissued patent.

5. That the lessee or user thereof shall not remove the trade-mark or trade name or title therefrom.

6. That the violation of any of the foregoing conditions entitles the lessor to immediate possession of this motion picture

without any liability for any price which the lessee or the person in whose possession it is found, may have paid therefor.

(6) The Licensee further covenants and agrees that he will not print or produce any positive motion picture unless the negative from which such positive motion picture is to be printed has been inspected and approved in writing by the Licensor.

(7) The Licensee further agrees that he will not, without the written consent of the Licensor, make more than five prints of any negative motion pictures from which he is hereby licensed to print and produce positive motion pictures, and that in making such prints he will use only sensitized film manufactured and sold by a manufacturer or manufacturers who shall be designated to the Licensee by the Licensor (such manufacturer or manufacturers being hereinafter referred to as "Licensed Film Manufacturer or Manufacturers"). Such sensitized film shall be purchased from the Licensed Film Manufacturer or Manufacturers by the persons, firms or corporations for whom the Licensee shall print and produce positive motion pictures, and the Licensee further agrees that he will not obtain any sensitized motion picture film directly from the said Licensed Film Manufacturer or Manufacturers.

The Licensor covenants and agrees that the Licensed Film Manufacturer or Manufacturers which shall be designated to the Licensee by the Licensor shall be the same persons, firms or corporations, whom the Licensor has heretofore or shall hereafter authorize to furnish sensitized motion picture film to any other licensee of the Licensor, under the said reissued Letters Patent No. 12,192, and the Licensor further covenants and agrees that the royalties which it will charge to and receive from the Licensed Film Manufacturer or Manufacturers, and which are to be included by the Licensed Film Manufacturer or Manufacturers in the prices charged for sensitized motion picture film, shall not exceed one-half ($1\frac{1}{2}$) cent per running foot for such film approximately one and three-eighths inch ($1\frac{3}{8}$ ") wide.

(8) The Licensee further covenants and agrees that he will not print and produce any positive motion picture at a less price than eleven and a half cents ($11\frac{1}{2}$ c.) per running foot, which price shall not include the cost of the sensitized film, and the Licensee further agrees not to grant any allowances, discounts, or rebates,

or other reductions by which the Licensee's price for printing and producing any positive motion picture shall be less than eleven and a half cents ($11\frac{1}{2}$ c.) per running foot.

(9) It is further mutually covenanted and agreed by and between the Licensor and Licensee that this agreement and the license granted thereby, shall take effect on the date hereof, and shall continue until August 31, 1914, the date of expiration of the said reissued Letters Patent No. 12,192.

In case, however, that Licensor should become bankrupt, cease doing business, or should be dissolved, voluntarily or otherwise, or its charter should be repealed, then, on the happening of either of such events, this agreement shall forthwith terminate and be at an end.

(10) It is further mutually covenanted and agreed by and between the Licensor and Licensee that if, during the continuance of this agreement either party should knowingly or through gross neglect or carelessness, be guilty of a breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, and should, for the period of forty (40) days after notice thereof from the other party, persist therein or fail to correct, repair or remedy the same, then and in such case the party aggrieved may terminate this agreement by giving notice in writing to the guilty party of its intention so to do. It is, however, mutually covenanted and agreed by and between the Licensor and Licensee that if the guilty party should correct, repair or remedy such breach, violation or non-performance of its covenants, conditions and stipulations within the said period of forty (40) days after such notice, and should thereafter knowingly or through gross neglect or carelessness be guilty of a second breach, violation or non-performance of its covenants, conditions and stipulations, resulting in substantial injury to the other party, then and in such case, the party aggrieved may terminate this agreement by giving thirty (30) days' notice in writing to the guilty party of its intention so to do. Such termination of the agreement, however, shall not prejudice either party hereto in the recovery of damages because of any such breach, violation or non-performance by the other party hereto.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed, the Licensor by its officers duly authorized to perform these acts, and the Licensee by his hand and seal, in the presence of two subscribing witnesses, the day and year first above written.

MOTION PICTURE PATENTS COMPANY,

By (Sd.) Frank L. Dyer,
President.

(Seal)

Attest:

(Sd.) George F. Scull,
Secretary.

(Sd.) EBERHARD SCHNEIDER.

Witnesses:

(Sd.) Lee E. Dougherty,

(Sd.) James E. Smith.

106.

(1) THIS AGREEMENT made this 26th day of February, 1913, by and between MOTION PICTURE PATENTS COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having an office at Orange, in said State, party of the first part, (hereinafter referred to as the "Licensor"); and GASTON MELIES of New York City, (for himself and as attorney for George Melies, of Paris, France), party of the second part, (hereinafter referred to as the "Licensee"), WITNESSETH:

(2) WHEREAS, an agreement in writing was entered into on the 6th day of June, 1912, by and between the Licensor and the Licensee under which agreement the Licensor granted the Licensee a license under certain United States Letters Patent under certain conditions, stipulations, and restrictions, which license, as expressed in Paragraph (8) of said agreement, was a temporary one, contingent on the eventualities of a certain suit in equity referred to in said agreement as "said equity suit," and,

(3) WHEREAS, "said equity suit" has been finally determined in favor of the Licensor and the Licensee and the Edison Manufacturing Company, all parties defendant in "said equity suit," and

(4) WHEREAS, the Licensor and the Licensee desire now to reform the said agreement dated June 6th, 1912, so as to make the license granted thereby permanent and so as to remove certain restrictions and conditions contained in said agreement, and

(5) WHEREAS, under the terms of Paragraph (8) of the said agreement dated June 6th, 1912, the Licensor has heretofore recognized and approved the Licensee's association with himself in the business to be carried on under the license granted under the said agreement of June 6th, 1912, of J. Stuart Blackton and Albert E. Smith, who are connected with the Vitagraph Company of America, one of the Licensees of the Licensor, and the Licensee and the Licensor desire to have such approval confirmed and the conditions thereof expressed,

NOW THIS AGREEMENT WITNESSETH:

(6) That the Licensor and the Licensee in consideration of the sum of One Dollar (\$1.00), each to the other in hand paid, and

receipt of which is hereby acknowledged, and of the mutual covenants and agreements hereinafter entered into, mutually covenant and agree to, and do hereby modify and alter said agreement dated June 6th, 1912, as follows:

(7) By cancelling, and they do hereby cancel, that part of Paragraph 8 of the said agreement reading as follows:

"It is further understood and agreed that the amount of running feet of new subjects placed on the market by the Licensee during the continuance of this agreement shall not exceed 1,000 feet per week, and that all the running feet of new subjects made and offered for sale in France by the said George Melies after the date of this agreement, shall be considered as part of the said 1,000 feet; that is to say, the Licensee shall have the right to offer for lease in the 'lease territory aforesaid', only so many running feet of new subjects printed from negatives made by the Licensee in the 'territory aforesaid' as when added to all of the running feet of new subjects placed on sale by George Melies in France, shall equal 1,000 running feet per week.

"The Licensor further agrees that, in addition to the one thousand (1,000) running feet of new subjects per week aforesaid, which the Licensee is hereby licensed to offer for lease in the 'lease territory aforesaid,' the Licensee may also offer for lease in the 'lease territory aforesaid,' under the terms and conditions of this agreement, positive motion pictures of special subjects, the negatives of which have been made by the Licensee and which are more than one thousand five hundred (1,500) running feet in length, after the Licensor has approved of each such special subject and authorized in writing such leasing thereof.

"It is further understood and agreed that the license hereby granted is a temporary one, contingent on the eventualities which may arise in the 'said equity suit' and that in the event that a temporary injunction should be issued against the Licensor, requiring the Licensor to recognize the said George Melies Company as a Licensee, this agreement and the license granted thereby, shall be suspended, during the time such temporary injunction is in force. It is further understood and agreed that in the event that it is finally decreed in the 'said equity suit'

that the said George Melies Company is entitled to a license under the patents under which this license is granted, then this agreement and the license granted thereby shall thereupon immediately cease and determine."

(8) The Licensor hereby confirms its approval heretofore given under the provisions of Paragraph 8 of said agreement of June 6, 1912, of the Licensee's association with himself in the conduct of the business carried on under said agreement of June 6th, 1912, of the said J. Stuart Blackton and said Albert E. Smith, under the conditions and restrictions that such business shall be conducted independently of the business of the Vitagraph Company of America, hereinbefore referred to, except as to such matters as would naturally arise by reason of the common interests of the said Blackton and the said Smith in the said Vitagraph Company of America and in the said business carried on under the agreement dated June 6th, 1912, and that there shall be no interchange of employees and actors and no manufacturing plant or studio common to both said businesses.

(9) That except as hereby modified and altered the said agreement of June 6th, 1912, and every representation, clause, covenant, and recital therein contained shall remain in full force and effect in the same manner as if the subject matter referred to in Paragraph 7 hereof had not been contained in the said agreement, and as if Paragraph 8 hereof were in said agreement when originally executed.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals this 26th day of February, 1913.

MOTION PICTURE PATENTS COMPANY,

By (Sd.) H. N. Marvin,
President.

Attest:

(Sd.) George F. Scull,
Secretary.

(Sd.) Gaston Melies,
By Paul G. Melies,
His Attorney.

(Sd.) George Melies,
By Paul G. Melies,
His Attorney.

In the presence of:

(Sd.) Fred. Hawley.

AGREEMENTS

CHRONOLOGICAL INDEX

No.	Page			Date	Short Description
1	3	American Mutoscope Co.	Marvin, Casler, et al.	12 Mar. 1898	License to manufacture Mutoscope Goods for Export only.
2	8	Armat Moving Pict. Co.	American Mutoscope & Bio. Co. of New Jersey	19 Feb. 1904	License, not exclusive, to manufacture and use Projecting Machines under Jenkins-Armat Patent No. 586,953; and to sell Machines in the event that such Machines under said Patent are sold or permitted to be sold by the Armat Moving Picture Co.; or to sell the same by written permission of the Armat Moving Picture Co.
3	12	Edison Mfg. Co.	Kalem Co., Inc.	31 Jan. 1908	In effect 1st day of Feb., 1908. License to manufacture and use Cameras under No. 12,037, and to manufacture and print and produce and sell positives under No. 12,192. Negatives and positives to be manufactured on Licensed Film (Sec. 4). Conditions to be labeled on positives (Sec. 7 and 17). Conditions of return of positives (Sec. 17). Other licenses, not over 6 may be granted under above patents, except by plurality vote, etc. (Sec. 20).
4	27	Edison Mfg. Co.	Selig Polyscope Co.	31 Jan. 1908	do do
5	27	Edison Mfg. Co.	Essanay Film Mfg. Co.	31 Jan. 1908	do do
6	27	Edison Mfg. Co.	The Vitagraph Co. of America	31 Jan. 1908	do do
7	27	Edison Mfg. Co.	Siegmund Lubin	31 Jan. 1908	do do

No.	Page			Date	Short Description
8	28	Edison Mfg. Co.	Gaston Melies, of New York, for Himself and as Attorney for Geo. Melies of Paris, France	31 Jan. 1908	In effect 1st day of Feb. 1908. Licence to import negatives manufactured by George Melies in France, and to print, produce and sell Positives made therefrom during the continuance of above concurrent agreement (identical with Nos. 3, 4, 5, 6, 7) ante and subject as to their disposition to the terms of said agreement, a copy whereof is annexed hereto; but without any license to import positives made by George after 1904. Conditions of cancellation of this and the concurrent agreement Sec. 2.
9	31	Edison Licensees	Exchanges	15 Feb. 1908	<p>Agreement of sale (personal); non-assignable (Sec. 13); non-exclusive (Sec. 17), subject to conditions, as follows:</p> <ol style="list-style-type: none"> 1. To buy exclusively licensed positives from Vendor or from duly licensed manufacturer thereof. 2. Vendee only to rent such positives to exhibitors exclusively exhibiting licensed positives obtained from Vendor or from its manufacturers without power in exhibitor to sell, sub-rent, loan or dispose thereof. 3. Minimum prices. 4. Standing Order. 5, 9, 11 and 12. Restriction of Vendee's sale, lease or disposal of Vendor's licensed positives. 6. Dupes. 7. Trade Mark. 8. Conditions of return of equivalent amount of positives. 10. Premiums or rebates. 14. Similar agreement between Vendor and each purchaser. 15. Suspended list. 16. Change of restrictions by Vendor on 60 days' notice. 17. Acceptance by Vendee.

No.	Page			Date	Short Description
10	36	American Mutoscope & Biograph Co.	Henry S. Williams, N. Howland Brown Morris Earle, Co-partners trading as Williams, Brown & Earle; Kleine Optical Co.; Charles E. Dressler & Co., a corporation	18 Feb. 1908	License from A. M. & B. Co. to the 3 parties named, to make, use and vend importations of positive and negative films from whatever producer and positive films therefrom printed in the U. S., but not negatives produced in the U. S. or apparatus for producing negatives—all to be used in projecting machines described in Latham U. S. Patent No. 707,934.
11	41	Armat Moving Picture Co.	American Mutoscope & Biograph Co.	21 Mar. 1908	Recites certain agreements; suspends certain recited Licenses; and the A.M.P. Co. and A. M. & B. Co. License each other to manufacture and sell moving picture apparatus under the respective patents of each Company, but neither party shall hereafter grant any license to manufacture, sell or use any projecting machine (under the inventions above) except upon such terms as shall be hereafter agreed upon by both parties (Sec. 12) and every machine sold or leased by either shall be sold or leased upon the same terms with respect to use as shall be established by the parties for the use of machines manufactured by others (Sec. 11).
12	47	Edison Mfg. Co.	Eastman Kodak Co.	20 May 1908	License (personal), non-assignable (assignable on a particular contingency, p. 50) in effect 20 June 1908 (Sec. 19), to the E. K. Co. To continue, unless terminated, until 31 August, 1914. Power to terminate in either party on 60 days' written notice of election (Sec. 19). Recitals (1-6) of ownership Nos. 12,037 and 12,192 by E. M. Co.; the Edison Licensee Agreements; and their obligation to use exclusively in the manufacture of negatives and positives "Sensitized Film" of a standard therein set forth (Sec. 4); and film royalties; the secret pro-

Continued on next page

No.	Page			Date	Short Description
12	47	Edison Mfg. Co.	Eastman Kodak Co.	20 May 1908	<p><i>Continued from preceding page</i></p> <p>cesses of the E. K. Co. "Sensitized Film" with a nitro cellulose base; E. M. Co. not a manufacturer of "Sensitized Film" desires to avail itself of the E. K. Co.'s facilities and secret processes; and desires to have the E. K. Co. collect the royalties referred to in Sec. 4 and Sec. 15.</p> <p>Grants (Sec. 7) to E. K. Co. the right:</p> <ol style="list-style-type: none"> 1. To exclusively manufacture "Licensed Film" (nitro cellulose) in the U. S. and its possessions. 2. To exclusively manufacture such other "Sensitized Film" suitable for commercial production of positives and negatives. 3. To exclusively sell such "L. F." to the Edison Licensees and the Edison Company. 4. To exclusively sell "such other film" to other persons, etc. provided for in par. 11, p. 51, to wit: <ol style="list-style-type: none"> (a) For export; (b) To others (in the U. S. and its possessions) than the Edison Company and the Edison Licensees to the extent of $2\frac{1}{2}\%$ of the total amount of "L. F." supplied to the E. M. Co. and the Edison Licensees during any one year of this Agreement of a width about $1\frac{3}{8}$"; (c) To persons not engaged in the business of manufacturing, selling, renting, etc.; (d) To manufacture and sell "Sensitized Film" suitable for commercial production of negatives and positives of a width not to exceed about $\frac{3}{4}$" (in the U. S. and possessions) to persons, etc., engaged in the business of manufacturing, etc. Motion Pictures in said territory. (e) To manufacture and sell in <p><i>Continued on next page</i></p>

No.	Page			Date	Short Description
12	47	Edison Mfg. Co.	Eastman Kodak Co.	20 May 1908	<p><i>Continued from preceding page</i></p> <p>said territory such "Sensitized Film" for the commercial production of negatives and positives of any width to persons, etc. (not Edison Licensees) "foreign manufacturers" who now manufacture negatives or positives in the U. S. or who may hereafter begin such manufacture in U. S.</p> <p>(f) To sell such "Sensitized Film" to the A. M. & B. Co. of any width.</p> <p>5. (Sec. 7) to use in the U. S. and possessions cameras under re-issue No. 12,037 as it may desire for its (E. K. Co.'s) own purposes.</p>
13	59	Edison Mfg. Co.	Eastman Kodak Co. (Both terminated by Paragraph 25, Agreement No. 34, 1 January, 1909).	20 May 1908	<p>(To take effect upon the termination of No. 12).</p> <p>Recites: Agreement entered into, No. 12, ante p. 47, which is annexed hereunto and marked Schedule A.</p> <p>Provides:</p> <p>1. That upon the termination of No. 12, by virtue of the terms of Sec. 19 thereof, the E. K. Co. shall collect the royalties from the Edison Licensees whose Licenses are in full force at such termination and that the E. K. Co. will keep an accurate account (Sec. 5) of sensitized film supplied such Licensees confidential as to the number of running feet of each Licensee, with power to the Edison Co. to examine the books of the Eastman Co. as to the accuracy of statements made relating to the sale by it of sensitized film to said Licensees.</p> <p>2. And further provides that the Eastman Co. shall be at liberty to sell sensitized film for the commercial production of positives or negatives for export to foreign countries and to persons, etc., other than the Edison Licensees (Sec. 8).</p>

No.	Page			Date	Short Description
14	64	Edison Mfg. Co.	Pathe Freres, a Corporation	20 May 1908	<p>License (personal), in effect June 20, 1908, renewable, etc. (Sec. 21) Grants the right:</p> <ol style="list-style-type: none"> 1. To manufacture and use cameras under No. 12,037 for its business. 2. To manufacture, print, produce and sell positives under No. 12,192, the manufacture of negatives and positives to be upon "Licensed Film," with the right to the Licensee. <ul style="list-style-type: none"> (a) To obtain from the "Compagnie Generale", etc., etc. and import into the U. S. negatives and a single corresponding positive thereof; and (b) Colored Positives (when two or more colors are used therein) produced by said "Compagnie Generale" as the Licensee may desire; and (c) Positives produced by said "Compagnie" from negatives made prior to June, 1908 for which said Licensee has no negative in the U. S.; and (d) Positives produced by said Compagnie from negatives made by it after June 20, 1908, whereof said Compagnie has no duplicate necessary for the Licensee to fill orders, but not otherwise. 3. To sell all such positives in the U. S.; and 4. To use said obtained and imported negatives in the manufacture of positives from such Licensed Film for sale in the in the U. S. or for export without royalty.

No.	Page			Date	Short Description
15	81	Edison Mfg. Co.	Edison Licenses—Modification of Paragraph 15 of Exchange Agreement 15 February, 1908. at p. 34	1 Dec. 1908	Revises Sec. 15 of the Exchange Agreement, p. 34 by inserting the following term: “the vendor may terminate the present Agreement on ten days’ written notice to the purchaser of its intention so to do.”
16	82	Armat Moving Picture Co.	Motion Picture Patents Co.	18 Dec. 1908	Agreement to assign to M.P.P. Co. (Sec. 7), Letters Pat. U. S. Armat No. 578,185; Armat No. 580,749; Armat No. 673,992; Jenkins & Armat No. 586,953; Campbell assignee of Steward & Frost No. 588,916 reserving to itself and successors, the right to practice such inventions without royalty. Royalties hereunder defined (Sec. 8). Termination and Reverter clause (Sec. 11).
17	88	American Mutoscope & Bio. Co.	Motion Picture Patents Co.	18 Dec. 1908	Agreement to assign to M.P.P. Co. (Sec. 7) Letters Patent Casler No. 629,063; Latham No. 707,934; Pross No. 722,382. Reserving to itself and successors the right to practice thereunder without royalty. Its stockholders interest (Sec. 8). Royalties hereunder (Sec. 10). Termination and Reverter clauses (Sec. 13).
18	94	Edison Mfg. Co.	Motion Pict. Pts. Co.	18 Dec. 1908	Agreement to Assign to M. P. P. Co. (Sec. 9) Letters Patent (re-issue) No. 12,037 (camera) (re-issue) No. 12,192 (film). Suspension of the Edison Licensee Agreements during the continuance of the M.P.P. Co. agreements. (Secs. 3, 9 and 10) Termination of Agreements Nos. 12 and 13 Eastman Kodak Co. pp. 47 and 59. (Secs. 4 and 10) Its interest as stockholder. (Sec. 12) Royalties hereunder. (Sec. 15) Termination and Reverter hereunder.

No.	Page			Date	Short Description
19	101	The Vita-graph Co. of America	Motion Pict. Pts. Co.	18 Dec. 1908	Agreement to Assign to M.P.P. Co. (Secs. 1 and a) Patents, Smith No. 673,329 (Kinet.); Smith No. 744,251 (Kinet.); Smith No. 770,937 (Kinet.); Smith No. 771,280 (Reel); Smith No. 785,237 (Film Holder); Elwood No. 785,205 (Flame Shield). (Sec. 1) Reserving to itself and successors the right to practice thereunder without royalty. (Sec. 3) Royalties hereunder. (Sec. 6) Duration, termination and reverter clause.
20	105	Motion Pict. Pts. Co.	American Mutoscope & Biograph Co.	18 Dec. 1908	License (personal) Terminated by No. 89, par. 35, p. 484. After reciting licensor's ownership of 16 U. S. Patents: Armat 4; Jenkins-Armat 1; Vitagraph 6; Biograph 3; Edison 2; total 16. Grants the right: 1. (a) Under Edison No. 12,037 and Casler No. 629,063 and Latham No. 707,934 for the U. S. and possessions to manufacture and use cameras thereunder for the proper conduct of licensee's business, and to use in the manufacture of negatives and positives "Licensed Film" (Sec. 4). (b) And to manufacture, print and produce positives under No. 12, 192; to lease said positives in the U. S. (excepting insular possessions and Alaska) on film of a greater width than approximately 1" provided such positives be used solely in projecting machines containing the inventions or some of them of Armat, Jenkins-Armat, Biograph, Pross and Vitagraph and licensed by licensor. (c) To sell positives under 12, 192 on film about 1" or less in the U. S. etc., excepting insular possessions and Alaska. <i>Continued on next page</i>

No.	Page			Date	Short Description
20	105	Motion Pict. Pts. Co.	American Muto-scope & Biograph Co.	18 Dec. 1908	<p><i>Continued from preceding page</i></p> <p>(d) To sell film of any width for export in or for said insular possessions, Alaska and foreign countries.</p> <p>(e) Both negatives and positives to be manufactured on "Licensed Film" (Sec.4).</p> <p>(f) To manufacture and sell projecting machines subject to restrictions without royalties payable by the Licensee (Sec. 20, p. 124).</p> <p>2. Release of claims for infringement.</p> <p>3. Admits the validity of certain Patents.</p> <p>4. (a) Will use exclusively Licensed Film of an authorized manufacturer.</p> <p>(b) Restriction to be put on manufacturer of exclusive Licensed Film in reference to right to furnish or sell sensitized film for the commercial production of negatives and positives, and exceptions.</p> <p>(c) (d) (e) Royalties for Licensed Film.</p> <p>(f) Manufacturer of Licensed Film to keep confidential number of running feet ordered by or shipped to, Licensee.</p> <p>(g) I. When royalties not to be collected under 12,037 and 12,192.</p> <p>II. When royalties to be collected under Projecting Machine Patents.</p> <p>5. No sale or disposal by Licensee of unexposed positives or negatives, and exceptions.</p> <p>6. Licensee not to lease, sell, or dispose of in the U. S. and possessions m. p. to anyone obtaining etc., or dealing in m.p. containing the invention of No. 12,192, not the output of Licensee or additional licensees.</p> <p><i>Continued on next page</i></p>

No.	Page			Date	Short Description
20	105	Motion Pict. Pts. Co.	American Muto- scope & Biograph Co.	18 Dec. 1908	<p><i>Continued from preceding page</i></p> <p>7. (a) Cameras—how to be marked. (b) Trade Mark—photographically printed. (c) Labels on boxes of positives to bear Conditions of Lease, p. 114. For modifications, see p. 292, 293, and see Sec. 17, p. 118.</p> <p>8. Dupès.</p> <p>9. (a) Scale of Minimum Leasing Prices of Positives. (b) "Running feet of new subjects" defined. (c) A substituted scale of minimum leasing prices, in case of only three licensees, and see Sec. 16, p. 118.</p> <p>10. Standing Orders.</p> <p>11. Unsold positives prior to 18 December, 1908 subject to scale of Lease Prices in the "Lease Territory."</p> <p>12. Special Motion Pictures and Prices.</p> <p>13. Licensee not to lease m.p. in "Lease Territory" at lower prices than fixed in 9, 10, 11 and 12.</p> <p>14. (a) Licensee's right to sell m.p. in "export territory" and prices in 9, 10, 11 and 12, not to apply to sales, etc. (b) No sales for export by Licensee to persons, etc., believed to be re-importers for sale or use.</p> <p>15. Second-hand m.p. (and see Sec. 5).</p> <p>16. See 9, 10, 11 and 12 ante. Leases of positives to be at prices set forth in 9, 10, 11 and 12, without discounts, or disposal by premiums, lotteries, etc., or "inducing merchandise" or donations, prizes or stamps.</p> <p>17. (a) Conditions of lease 1, 2, 3, 4, 5. For modifications, see p. 293.</p> <p><i>Continued on next page</i></p>

No.	Page			Date	Short Description
20	105	Motion Pict. Pts. Co.	American Muto- scope & Biograph Co.	18 Dec. 1908	<p><i>Continued from preceding page</i></p> <p>(b) Sub-leasing price of positives subject to change by majority vote of Licensee and additional Licensees; and basis of votes.</p> <p>(c) No discrimination in favor of Lessees other than Secs. 7 and 17, unless by majority vote, etc.</p> <p>18. Sales and shipments of positives for export. Lease thereof for purpose of sub-lease to persons using Projecting Machines licensed by Licensor under its Patents. No use of positives in exhibitions for profit. No supply of m. p. manufactured or imported to be used on a Projecting Machine, the license whereof has terminated, nor to any lessee who may supply for use another machine not licensed by Licensor.</p> <p>19. (a) Suits in infringement. (b) Licensee may terminate if re-issue 12,037 (first, second or third claims); 12,192; 586, 953 or 722, 382 is or are held invalid. (c) Suits against additional Licensees for breach; statement of legal expenses and pro rata charge thereof.</p> <p>20. I. Licensor may grant other Licenses under 12,037, 12,192, 629,063 and 707,934 (Cameras), not to exceed nine; 7 to be to Edison Licensees; 1 to Edison Company; and 1 to Kleine—except by a majority vote, and basis thereof. No favoritism to Licensees, except to Edison Co. in the matter of royalties; and to Kleine, certain restrictions.</p> <p>II. Licensor will license persons under Projecting Machine Patents to make and sell Projecting Machines</p> <p><i>Continued on next page</i></p>

No.	Page			Date	Short Description
20	105	Motion Pict. Pts. Co.	American Muto- scope & Biograph Co.	18 Dec. 1908	<p><i>Continued from preceding page</i></p> <p>thereunder, with right to use the same solely for projecting m. p. containing the inventions of re-issue 12,192 leased by a Licensee of the Licensor.</p> <p>III. License fee for manufacture and sale of Projecting Machines.</p> <p>IV. License to make or sell Projecting Machine for use where no admission fee is charged. Plate to be, attached, and contents thereof. License fee 5% of net retail selling price.</p> <p>V. Licensor will license Licensee to manufacture and sell Projecting Machines, but Licensee not to pay license fees or royalties.</p> <p>VI. Licensor will grant licenses to persons, etc., to manufacture and sell Projecting Machines, exhibiting by reflected light,—License Fee not to exceed 5% of net retail selling price,—to be used where no admission fee is charged. Plate, etc.</p> <p>20a. p. 126. Violation by additional licensees through gross neglect, of terms, etc., and termination of license.</p> <p>20b. Definition of "Motion Pictures."</p> <p>21. (a) Termination and renewal hereof.</p> <p>(b). Violation or non-performance of covenants hereof by Licensor or Licensee through gross neglect or carelessness; and termination hereof.</p> <p>22. Notices provided for herein to be in writing; and delivery thereof.</p> <p>23. After termination hereof (under Secs. 19 'and 21) then agreement not to be used against Licensee or its successors in any litigation, etc.</p>

No.	Page			Date	Short Description
21	129	Motion Pict. Pts. Co.	Edison Mfg. Co.	18 Dec. 1908	do do License (personal) Terminated by No. 89 par. 35 p. 484 &c. Differs from No. 20: Not to pay any royalties to the M.P.P. Co. (Sec. 4, clauses c, d and e, pp. 110, 111 omitted).
22	152	Motion Pict. Pts. Co.	Essanay Film Mfg Co. and Edison Mfg. Co.	18 Dec. 1908	Identical with No. 20, except as to royalties; the last 8 lines of No. 20, Sec. 4 clause e, p. 111, being omitted therefrom at p. 158. Tri-partite in form Edison Mfg. Co. joining to suspend old Edison Licensee Agreements. (Sec. 21a, p. 176.)
23	179	Motion Pict. Pts. Co.	Kalem Co., Inc. Edison Mfg. Co.	18 Dec. 1908	do do
24	179	Motion Pict. Pts. Co.	Lubin Mfg. Co. Edison Mfg. Co.	18 Dec. 1908	do do
25	179	Motion Pict. Pts. Co.	Selig Polyscope Co. Edison Mfg. Co.	18 Dec. 1908	do do
26	179	Motion Pict. Pts. Co.	The Vitagraph Co. of America. Edison Mfg. Co.	18 Dec. 1908	do do
27	180	Motion Pict. Pts. Co.	George Kleine	18 Dec. 1908	License (personal) to G. K. under the patents recited in No. 20, p. 105. In effect 1 Jan. 1909 to continue until 20 June 1910, renewable from year to year at election of Licensee by written notice on or before 20 April yearly. After reciting (p. 182) the extent of Kleine's importa- tions,

Continued on next page

No.	Page			Date	Short Description
27	180	Motion Pict. Pts. Co.	George Kleine	18 Dec. 1908	<p><i>Continued from preceding page</i></p> <p>Grants the right:</p> <p>1. Under No. 12,192 for the U. S. and its possessions, etc. to import positives.</p> <p>2. To import negatives and print positives therefrom in the U. S., such negatives or positives so imported to be manufactured by Societe des Etablissements Gaumont, of Paris, France; Charles Urban Trading Co. Ltd. of London and the Societe Generale Cinematographes "Eclipse," Paris.</p> <p>3. Such negatives or positives to be limited to the amount of 3,000 running feet of new subjects per week and to be divided among the permissive kinds of imports in certain proportions, the amount or quantity imported or printed and offered for lease in any one month not to be in excess of an average of 3,000 feet of new subjects per week.</p> <p>4. To lease said imported or printed positives in the U. S. and possessions, &c. on film of a greater width than about 1" for use solely in projecting machines containing the Armat, Armat-Jenkins, Biograph, Vitagraph Patents and licensed by the Licensor.</p> <p>5. To sell positives under No. 12,192 on film of about 1" or less.</p> <p>6. To sell positives under No. 12,192 on film of any width.</p> <p>7. The 18th par. of Kleine's license differs from the 18th of No. 20 and the others, because of K's character as importer and the words "imported" or "printed" are either inserted or omitted at appropriate places therein.</p>

No.	Page			Date	Short Description
28	209	Motion Pict. Pts. Co.	Pathe Freres Edison Mfg. Co.	18 Dec. 1908	<p>License (personal), to Pathe Freres, a corporation. In effect Jan. 1, 1909 to continue until 20 June 1910, renewable from year to year at election of Licensee by written notice on or before 20 April yearly.</p> <p>Grants the right:</p> <ol style="list-style-type: none"> 1. Under No. 12,037 and No. 629,063 and No. 707,934 for the U. S. and possessions, &c. to manufacture and use such number of cameras thereunder necessary for its business. 2. To manufacture, print and produce positives under No. 12,192. 3. To lease said positives in the U. S. and possessions on film of more than about 1" for use solely in projecting machines under the Armat, Armat-Jenkins, Biograph and Vitagraph patents and licensed by the lessor. 4. To sell positives under No. 12,192 on film of about 1" or less in the U. S. and its possessions. 5. To sell positives under No. 12,192 on film of any width for export. 6. To continue to purchase licensed film from the Eastman K. Co. if said Kodak Co. should cease to have the exclusive right to make and sell licensed film, or from another manufacturer thereof at the election of the licensee (Sec. 4, p. 217). 7. To manufacture and sell projecting machines subject to certain restrictions.
29	239	Motion Pict. Pts. Co.	Rental Exchange Agreement	18 Dec. 1908	<p>Exchange License Agreement (personal, non-assignable (Sec. 2)).</p> <p><i>Continued on next page</i></p>

No.	Page			Date	Short Description
29	29	Motion Pict. Pts. Co.	Rental Exchange Agreement	18 Dec. 1908	<p><i>Continued from preceding page</i></p> <p>Sec. 1. Grants, subject to the conditions below (Sections 1-20 (no No. 17 or No. 18), pp. 240-245), a license, under re-issue No. 12,192 to lease Licensed Motion Pictures (hereafter 1. m. p.) from the Licensed Manufacturers and Importers (hereafter L. M. & I.) and to sublease the same for use only on Projecting Machines licensed by Licensor under its Patents.</p> <p>Sec. 2. (a) Acceptance by Licensee of Conditions of License and authority from Licensee, in the event of termination or violation hereof, to place Licensee's name on Suspended List (Sec. 19) and direct L. M. & I. not to lease 1. m. p. to Licensee.</p> <p>(b) The execution hereof constitutes a cancellation of any prior Agreement for sale of 1. m. p. between Licensee and L. M. or I., except as to any clause therein relating to the return of film.</p> <p>Conditions of License (Nos. 1-20—17 and 18 omitted, p. 244):</p> <p>1. Licensee not to buy, lease, rent or obtain motion pictures, except 1. m. p., with power to dispose of 1. m. p. only by sublease hereunder.</p> <p>2. Ownership of each 1. m. p. to remain in the L. M. or I. Licensee acquiring only the License to sub-let such 1.m.p., subject to the conditions hereof. License to terminate upon breach hereof and L. M. or I. to have immediate possession of such 1.m.p. without liability for leasing price or other sum.</p> <p>3. Licensee cannot sell or exhibit 1.m.p. either in the U. S. or elsewhere. Licensee can only sublet such 1.m.p. and only for</p> <p><i>Continued on next page</i></p>

No.	Page			Date	Short Description
29	239	Motion Pict. Pts. Co.	Rental Exchange Agreement	18 Dec. 1908	<p><i>Continued from preceding page</i></p> <p>use in the U. S. and territories to exhibitors who shall exclusively exhibit 1.m.p. Exhibitor not permitted to sell or sub-let or dispose of 1.m.p. (For modification, see p. 461).</p> <p>4. Leasing price by Licensee not to be less or more favorable to Licensee than as defined in Leasing Schedule or substitute therefor (post, Sec. 20(b)) "embodied herein."</p> <p>5. Standing Order, 14 consecutive days. Modified, p. 625.</p> <p>6. Licensee not to sell, rent or dispose of any 1.m.p. however obtained to any person, etc., engaged in selling, or renting motion picture films.</p> <p>7. Dupee.</p> <p>8. Trade Mark.</p> <p>9. Licensee shall return to each L. M. or I. on first day of every month, commencing seven months from the first day of the month on which this Agreement is executed, equivalent amount of 1.m.p. in running feet (not purchased or leased over 12 months before) and of the make of said L. M. or I., equal to the amount of 1.m.p. so leased during the seventh month preceding the day of return (exception as to destruction or loss). Modified by Bulletin, p. 100.</p> <p>10. Licensee not to sell, rent, sub-let, loan or dispose of any 1.m.p. to any person, &c., in the exhibition business, violating any of the terms imposed by Licensor through its Licensees, whereof Licensee had notice.</p> <p><i>Continued on next page</i></p>

No.	Page			Date	Short Description
29	239	Motion Pict. Pts. Co.	Rental Exchange Agreement	18 Dec. 1908	<p><i>Continued from preceding page</i></p> <p>11. Licensee not to sub-lease 1.m.p. to exhibitor, unless Contract with exhibitor approved by Licensor in connection with each place operated by exhibitor and supplied with 1.m.p., is first executed.</p> <p>12. Licensee not to sub-lease 1.m.p. to exhibitor after February 1, 1909, unless each Projecting Machine is Licensed by M. P. P. Co. and License fees therefore paid. Licensee to mail to M. P. P. Co. name and location of exhibitor and place of exhibition, seating capacity, hours of exhibition, price of admission, number and make of machine and date of sub-leasing (if requested by Licensor). Licensee, on notice by Licensor of non-payment of License Fees for Projecting Machine, to cease to supply exhibitor with 1.m.p.</p> <p>13. Licensee must order, monthly, 1.m.p., the net Leasing Prices for which equal at least \$2,500.</p> <p>14. Payment by Licensee every Monday to each L. M. & I. for Invoices of preceding week.</p> <p>15. Licensee not to establish a place for sub-leasing or delivery of 1.m.p. in any other city, except upon agreement to that effect. This Agreement extends only to the place for sub-leasing maintained in the particular city hereunder.</p> <p>16. Licensor, before licensing any Exchange to lease, &c., from L. M. & I. and to sub-lease the same (in the U. S.) will exact from each Exchange a similar agreement, so as to put all exchanges in a position of exact equality.</p> <p><i>Continued on next page</i></p>

No.	Page			Date	Short Description
29	239	Motion Pict. Pts. Co.	Rental Exchange Agreement	18 Dec. 1908	<p><i>Continued on next page</i></p> <p>19. 1. Licensor may terminate:</p> <p>(a) On 14 days' written notice to the Licensee, without cause;</p> <p>(b) Immediately at Licensor's election, upon appropriate notice, with cause (See (a) and (b) of 2, next below).</p> <p>2. Licensor's right to place Licensee on Suspended List to be published and distributed to other Licensees, Exhibitors and to L. M. & I., with power to direct L. M. & I. not to lease l.m.p. to Licensee, if Licensee:</p> <p>(a) Fails to keep any condition hereof;</p> <p>(b) Fails to pay Leasing Price.</p> <p>3. On termination by Licensor for breach of condition, the Right to Possession of all l.m.p. shall revert, 20 days after notice of termination, to the respective L. M. & I.</p> <p>20. (a) Licensor, at its option, ratified by its officer, may change conditions hereof on 14 days' written notice to Licensee.</p> <p>(b) Leasing Prices Schedule of Licensed Positives (ante, Sec. 4). Modified, p. 101.</p> <p>(c) Rebate clause.</p> <p>(d) Terms of shipment.</p> <p>Lengths of Film, approximate only.</p>
30	246	Armat Moving Picture Co.	Motion Pict. Pts. Co.	31 Dec. 1908	<p>Assignment of Patents Nos. 578,185 Vitascope, 587,049 Vitascope, 586,953 Phantoscope (Jenkins-Armat), 889,016 Kinetoscope (Campbell, Assignee), 673,992 Vitascope.</p>

No.	Page			Date	Short Description
31	248	American Mutoscope & Biograph Co.	Motion Pict. Pts. Co.	30 Dec. 1908	Assignment of Patents Nos. 629,063 Camera (Casler), 707,934 Kinetograph (Latham); 722,382 Picture Apparatus (Pross).
32	251	Edison Mfg. Co.	Motion Pict. Pts. Co.	31 Dec. 1908	Assignment of Patents Re-issue No. 12,037 Camera, Re-issue No. 12,192 Film.
33	254	The Vitagraph Co. of America	Motion Pict. Pts. Co.	30 Dec. 1908	Assignment of Patents—6 Vitagraph Patents: 673,329 (Smith), 744,251 (Smith), 770,937 (Smith), 771,280 (Smith) Winding Reel, 785,205 (Elwood) Flame Shield, 785,237 (Smith) Film Holder.
34	257	Eastman Kodak Co. and Edison Mfg. Co.	Motion Pict. Pts. Co.	1 Jan. 1909	<p>Sec. 9, p. 262 and Sec. 25, p. 277 terminate the former agreements Nos. 12 and 13 between the Edison Co. and the Eastman Co. for the supply of licensed film to the Edison licensees.</p> <p>License, (personal), (non-assignable), in effect Jan. 1, 1909,</p> <p>Grants to the E. K. Co. the right:</p> <ol style="list-style-type: none"> 1. To exclusively manufacture for the U. S. and its possessions the licensed film having a nitro-cellulose base. 2. To exclusively manufacture such other translucent or transparent sensitized film suitable for the commercial production of negatives and positives. 3. To exclusively sell said licensed film to the Patents Company's licensees. 4. To exclusively sell such other film to such other persons, etc., set out in par. 14, to wit: <ul style="list-style-type: none"> (a) for export; (b) in the U. S. and its posses-

Continued on next page

No.	Page			Date	Short Description
34	257	Eastman Kodak Co. and Edison Mfg. Co.	Motion Pict. Pts. Co.	1 Jan. 1909	<p><i>Continued from preceding page</i></p> <p>sions to others than the Patents Company and the Patents Company's licensees to the extent of $2\frac{1}{2}\%$ of the total amount of such licensed film supplied to the Edison licensees (Sec. 3, p. 259) and to said Patents Company licensees during any one year and of a width approximately $1\frac{3}{8}$";</p> <p>(c) to persons not engaged in the business of manufacturing, loaning, &c. motion pictures;</p> <p>(d) to manufacture and sell such film of a width not to exceed 1" suitable for commercial negatives and positives to persons, &c. engaged in the business of manufacturing, selling, &c. motion pictures, upon condition that if any of them produce a picture greater in size than $\frac{3}{4}$" on a line either parallel or at right angles to the edge of the film and said Eastman Co. has knowledge thereof, such supply by it shall cease;</p> <p>(e) to manufacture and sell such film suitable for commercial negatives and positives of any width to "foreign manufacturers" who are here defined (p. 266, and Sec. 19, p. 270).</p> <p>5. To manufacture and sell projecting machines under licensor's patents to be used solely in places where no admission fee is charged, with plate attached, royalty not to exceed 3 % of the net retail selling price.</p>
35	279	Motion Pict. Pts. Co.	Armat Moving Picture Co.	7 Jan. 1909	<p>License (personal), in effect 1 Feb. 1909 to continue until June 20, 1910, renewable from year to year on the election of the licensee, by notice in writing</p> <p><i>Continued on next page</i></p>

No.	Page			Date	Short Description
35	278	Motion Pict. Pts. Co.	Armat Moving Picture Co.	7 Jan. 1909	<p><i>Continued from preceding page</i></p> <p>before Mar. 20 in each year; under the Armat, Armat-Jenkins, Vitagraph, Biograph and Edison camera and film patents. Grants the right:</p> <p>1. To manufacture and sell projecting machines, including motion picture mechanisms or heads therefor, but not including repair parts of said mechanisms or heads, embodying one or more of 13 projecting machine patents, as numbered, upon certain royalties, set out Sec. 4, p. 282;</p> <p>2. Sales of projecting machines, projecting by transmitted light, positives on a film greater than approximately 1" excepting when sold for export, must be made under the restriction that said machines shall be used solely for projecting positives containing the invention of re-issue No. 12,192 leased by a licensee of the licensor and subject to the payment of a royalty to the licensor while in use and subject to a certain plate being attached to every machine except when sold for export;</p> <p>3. Sales of machines projecting, by reflected light, must be made except when sold for export, under the restriction that they shall be used only in places where no admission fee is charged, subject to the attachment of a plate with certain words and figures; and</p> <p>4. Sales of machines of any kind for export must bear a plate with certain words and figures, and export sales defined.</p>
36	290	Motion Pict. Pts. Co.	Edengraph Mfg. Co.	7 Jan. 1909	do do
37	290	Motion Pict. Pts. Co.	Edison Mfg. Co.	7 Jan. 1909	do do

No.	Page			Date	Short Description
					License (personal), in effect 1 Feb. 1, 1909 to &c.—
38	290	Motion Pict. Pts. Co.	Enterprise Optical Co.	7 Jan. 1909	do do
39	290	Motion Pict. Pts. Co.	Lubin Mfg. Co.	7 Jan. 1909	do do
40	290	Motion Pict. Pts. Co.	Nicholas Power (a corporation)	7 Jan. 1909	do do
41	290	Motion Pict. Pts. Co.	Eberhard Schneider (expired)	7 Jan. 1909	do do
42	290	Motion Pict. Pts. Co.	Selig Polyscope Co.	7 Jan. 1909	do do
43	290	Motion Pict. Pts. Co.	Spoor & Co.	7 Jan. 1909	do do
44	290	Motion Pict. Pts. Co.	The Vitagraph Co. of America	7 Jan. 1909	do do
45	291	Motion Pict. Pts. Co.	American Mutoscope & Biograph Co.	26 Jan. 1909	Supplemental License Agreement, partially modifying and altering No. 20, p. 105, as follows: 1. Cancels par. 7, p. 113 and substitutes new paragraph, whereby the conditions of lease are changed in this: 3. The lessee shall no longer have a right to supply a positive until the lessee has entered into a written agreement with the M. P. P. Co. containing terms to be prescribed therein by it and only while such lessee complies with all such terms and while such agreement remains in full force—and 6. That the violation of any of the conditions of lease, including such new terms estab-

Continued on next page

No.	Page			Date	Short Description
45	291	Motion Pict. Pts. Co.	American Muto- scope & Bio- graph Co.	26 Jan. 1909	<p><i>Continued from preceding page</i></p> <p>lished under 3 above, entitles the lessor to immediate possession.</p> <p>2. Cancels par. 17, p. 118 whereby the above changes are appropriately inserted in said par. 17 (conditions of lease).</p> <p>3. Inserts and adds a new par. called "17a," whereby the licensor covenants to enter into a written agreement with every person, etc., recommended to the licensor by a majority vote of the licensees upon terms not inconsistent with the terms of this agreement and the licensor will not terminate such agreement except upon the recommendation of a majority vote of the licensees.</p>
46	296	Motion Pict. Pts. Co.	Edison Mfg. Co.	26 Jan. 1909	<p>do do</p> <p>Modifying and altering, identically as above suggested, No. 21, p. 129, at pp. 136, 137 and 141 and 142.</p>
47	297	Motion Pict. Pts. Co.	Edison Mfg. Co. and Essanay Film Mfg. Co.	26 Jan. 1909	<p>do do</p> <p>Modifying and altering, identically as above suggested, No. 22, p. 152, at pp. 161, 166-7; and the Edison Mfg. Co. joins in this Agreement as in the original, and as in Nos. 48, 49, 50 and 51 post, for the purpose of continuing to suspend the operation of the Edison License Agreements and NOTE that the additional and new paragraph which should be inserted as "17a," is inadvertently (p. 301) called "18a."</p>
48	303	Motion Pict. Pts. Co.	Kalem Co. Inc. Edison Mfg. Co.	26 Jan. 1909	<p>do do</p> <p>Modifying and altering No. 23.</p>

No.	Page			Date	Short Description
49	303	Motion Pict. Pts. Co.	Lubin Mfg. Co. Edison Mfg. Co.	26 Jan. 1909	do do Modifying and altering No. 24.
50	303	Motion Pict. Pts. Co.	Selig Polyscope Co. and Edison Mfg. Co.	26 Jan. 1909	do do Modifying and altering No. 25.
51	303	Motion Pict. Pts. Co.	The Vitagraph Co. of America Edison Mfg. Co.	26 Jan. 1909	do do Modifying and altering No. 26.
52	304	Motion Pict. Pts. Co.	George Kleine	26 Jan. 1909	do do Modifying and altering No. 27, p. 180, at pp. 192, 197, 199. The insertion of the new par. is hereunder called "18a." The modifications and addi- tions are identical with the ones above suggested.
53	309	Motion Pict. Pts. Co.	Edison Mfg. Co. and Pathe Freres	26 Jan. 1909	do do Modifies and alters No. 28, p. 209, at pp. 220 and 225 and adds a new par. 17a., p. 226,— the changes being identical with the other foregoing Sup- plemental license agreements.
105	656	Motion Pict. Pts. Co.	Eberhard Schneider (see Appendix)	3 Feb. 1909	License under re-issue No. 12,192 to print, produce and lease positives, but not to print positives from negatives of Schneider's productions except Schneider's negatives made as and employee of a licensed manufacturer.
54	315	Motion Pict. Pts. Co.	American Moving Picture Machine Co.	13 Feb. 1909	License Agreement, under the Projecting Machine Patents,— identical in terms with the afore- going License Agreement there- under between the M. P. Co. and the Armat Co., No. 35, p. 279.

No.	Page			Date	Short Description
55	316	Motion Pict. Pts. Co.	Gaumont Co. of New York	2 Mar. 1909	<p>License (Personal), non-exclusive, in effect 2 Mar. 1909, to continue until June 20, 1910, renewable from year to year by written notice on or before 20 April of each year (Sec. 18, p. 334), under the 16 patents. Grants the right:</p> <ol style="list-style-type: none"> 1. To manufacture and use such a number of cameras under No. 12,037, 629,063 and 207,934 as may be necessary for the proper conduct of licensee's business in the manufacture of talking motion pictures. 2. To manufacture, print and produce positive talking motion pictures under re-issue No. 12,192 3. To import positive and negative talking motion pictures made by the Societe des Etablissements Gaumont, the negatives thereof, from which such positives are printed or imported, not to exceed a total length of 2500 running feet of new subjects in any one week during the continuation hereof, —such length to be ascertained by adding together the length of one print of each new subject so printed or imported without regard to the number of positive prints of each subject printed or imported. 4. To exhibit and to lease for exhibition in the U. S. and possessions, hereunder, upon the condition of use solely in projecting machines under licensor's 13 projecting machine patents and licensed by the licensor and only when such projecting machines are used in connection with synchronizing talking motion pictures apparatus (Chronophone) manufactured or imported by licensee and only in

Continued on next page

No.	Page			Date	Short Description
55	316	Motion Pict. Pts. Co.	Gaumont Co. of New York	2 Mar. 1909	<p><i>Continued from preceding page</i></p> <p>connection with sound records furnished by licensee with such talking motion pictures.</p> <p>Sec. 1.—Definition of talking motion pictures, p. 320.</p> <p>Sec. 3a.—Royalties, p. 321.</p> <p>Sec. 4.—Licensed Film, p. 322, and royalties therefor, pp. 323-4.</p> <p>Sec. 7.—Conditions of lease, pp. 326-8, differ slightly from the conditions in the other license agreements.</p> <p>Sec. 15.—The sub-leasing conditions 1-6 are set forth, pp. 330-1.</p>
56	337	Motion Pict. Pts. Co.	Gaumont Co. of New York	2 Mar. 1909	License Agreement under Projecting Machine Patents—Slightly different from No. 35, p. 279, as it covers both the manufacture and importation of projecting machines.
57	338	Motion Pict. Pts. Co.	Gaumont Co. of New York	2 Mar. 1909	Agreement to Assign Demeny Patent No. 544,480 granted to George Demeny, dated Aug. 13, 1895.
58	341	Gaumont Co. of N. Y.	Motion Pict. Pts. Co.	2 Mar. 1909	Assignment of above.
59	344	Motion Pict. Pts. Co.	American Mutoscope & Biograph Co.	20 Apr. 1909	License Agreement, under the Projecting Machine Patents—Identical in terms with the foregoing License Agreement thereunder with the Armat Company, No. 35, ante p. 279.

No.	Page			Date	Short Description
60	345	Eastman Ko. Co.	Motion Pict. Pts. Co.	15 June 1909	<p>Agreement (to continue until 1st July 1912) Eastman K. Co. (Vendor) and — Licensee of M. P. P. Co. (Vendee). Agrees:</p> <ol style="list-style-type: none"> 1. To supply such Licensee with "N. I. Licensed Film" of usual motion picture width and length for manufacture of negatives and positives on condition (Sec. 1a, p. 345) depending on the ratio of demand to output thereof; 2. To supply shorter lengths; 3. Not to supply until 15 June 1912 N. I. Film to any other persons (Sec. 1c, p. 346) in foreign countries at less than certain prices; 4. Not to supply N. I. Film to manufacturers in U. S. at prices less than to Vendees; 5. Vendee must manufacture or sell or export or use, and dispose of only N. I. Film having motion pictures developed thereon, except sensitized negative for use of Vendee's operators; 6. Definition of N. I. Film. (Sec. 3f, p. 348.)
61	349	Motion Pict. Pts. Co.	Eastman Kodak Co. (Schedules A & B)	15 June 1909	<p>License (Personal), non-assignable, in effect June 20, 1909, to continue, unless terminated, until July 1, 1912, to the Eastman Kodak Co., whereby the Patents Co., not being a manufacturer avails itself:</p> <p>(a) Of the Eastman Company's facilities as a manufacturer of a film with a Cellulose Acetate, instead of a nitro-cellulose, base; and</p> <p>(b) The supply of such film to the Patents Company Licensees.</p> <p>Grants:</p>

Continued on next page

No.	Page			Date	Short Description
61	349	Motion Pict. Pts. Co.	Eastman Kodak Co. (Schedules A & B)	15 June 1909	<p><i>Continued from preceding page</i></p> <ol style="list-style-type: none"> 1. The exclusive right (Sec. 10) to manufacture the N. I. Licensed Film in the U.S. and its possessions. 2. To exclusively manufacture other non-inflammable sensitized film suitable for the commercial production of positives and negatives. (Sec. 10.) 3. To exclusively (Sec. 10) sell such N. I. Licensed Film to the Patents Company Licensees, on condition (par. 13, p. 356) that if the demand for non-inflammable film exceeds the output, such licensees shall be entitled to be supplied only in the same proportion of the output thereof that the licensee had of the total output the previous year. 4. To (Sec. 10) sell such other film to other persons, etc., named in said (par. 13, p. 356,) to wit: <ol style="list-style-type: none"> (a) For export. (b) In the U. S. and its possessions to others than the Patents Co. and the Patents Co. licensees, to wit, to persons not engaged in the business of manufacturing, loaning, etc., motion pictures to the extent of $2\frac{1}{2}\%$ of the total amount of such N. I. Licensed Film supplied to the Patents Company licensees and to Patents Co. licensees during any one year from June 20, 1909 and of a width approximately 13 8". (c) To manufacture and sell such N. I. Film of a width not to exceed approximately 1" to persons, etc., engaged in the business of manufacturing, selling, etc., motion pictures, upon condition that if any of them <p><i>Continued on next page</i></p>

No.	Page			Date	Short Description
61	349	Motion Pict. Pts. Co.	Eastman Kodak Co. (Schedules A & B)	15 June 1909	<p><i>Continued from preceding page</i></p> <p>produce a picture greater in size than approximately $\frac{3}{4}$ of an inch on a line either parallel or at right angles to the edge of said film and the Eastman Co. has knowledge thereof, the supply thereof shall cease to such person, etc.</p> <p>(d) To manufacture and sell such N. I. Film of any width to foreign manufacturers who are here defined (p. 357).</p> <p>(e) To any person, etc., who is now or may hereafter be a Patents Company licensee.</p> <p>(f) To any person who shall have ceased to be such licensee.</p>
62	395	Motion Pict. Pts. Co.	Gaston Melies	20 July 1909	<p>License (Personal), Temporary and Contingent (p. 398) in effect 20 July, 1909, to continue until June, 20 1910, renewable from year to year at election of Licensee on written notice before April 20, terminable if George (of Paris) exports positives to U. S. or knowingly permits their importation, except as limited in (par. 1, p. 398). Under Patents Nos. 12,037 and 629,063 and 707,934.</p> <p>Grants the right:</p> <ol style="list-style-type: none"> 1. To manufacture and use cameras necessary for proper conduct of his business and to use, in the manufacture of negatives and positives "Licensed Film" (Sec. 4, p. 400); 2. To import into U. S. negatives made by Geo. Melies in France; 3. To import positives from negatives made by Geo. Melies prior to 1904 of which Gaston has no negative in the U. S.; <p><i>Continued on next page</i></p>

No.	Page			Date	Short Description
62	395	Motion Pict. Pts. Co.	Gaston Melies	20 July 1909	<p><i>Continued from preceding page</i></p> <p>4. To manufacture, print and produce positives under No. 12,192;</p> <p>5. To lease in U. S. and possessions said positives so imported or printed on film of about 1", for use solely on projecting machines under the 13 Projecting Machine Patents or some of them and licensed by Licensor, that is to say: The Licensee shall have the right to lease only so many running feet of new subjects printed from negatives made by the Licensee in the U. S. as, when added to all of the running feet of new subjects placed on sale by Geo. Melies in France, will equal 1,000 running feet per week (Sec. 1, p. 398);</p> <p>6. To sell positives under No. 12,192 on film of 1" or less in insular possessions and Alaska;</p> <p>7. To sell positives on film of any width in said insular possessions and Alaska and foreign countries.</p> <p>8. Upon licensee's request a license will be granted to manufacture and sell projecting machines (Sec. 20, clause (e) p. 415-6) subject to restrictions and royalties.</p>
63	422	Motion Pict. Pts. Co.	Gaston Melies	21 July 1909	<p>Supplemental License Agreement, partially modifying and altering the License Agreement of July 20, 1909 No. 62, p. 395, as follows:</p> <p>Inserts and adds a new paragraph called "17a", p. 411, whereby the Licensor covenants to enter into a written agreement with every person,</p> <p><i>Continued on next page</i></p>

No.	Page			Date	Short Description
63	422	Motion Pict. Pts. Co.	Gaston Melies	21 July 1909	<i>Continued from preceding page</i> etc., recommended to the Licensor by a majority vote of the Licensees upon terms not inconsistent with the terms of this agreement and Licensor will not terminate such agreement, except upon the recommendation of a majority vote of the Licensees.
64	424	Motion Pict. Pts. Co.	General Film Co. (a corporation) Rental Exchange Agreement	Apr. 1910	License (personal) non-assignable, identical in terms with the Rental Exchange Agreement No. 29, p. 239. Grants the right; (generally): 1. Under No. 12,192 to lease licensed positives from the licensed manufacturers and importers; 2. To sub-lease said licensed positives for use only on projecting machines licensed by the Licensor; and 3. The rights under 1 and 2 above are expressly subject to conditions, (Nos. 1-20, with 17 and 18 omitted) pp. 240-245.
65	425	Motion Pict. Pts. Co.	General Film Co. (a corporation) Limited Mfrs. and Importers Agreement.	21 Apr. 1910	License (personal) in effect 21 April, 1910 to continue until June 20, 1911, renewable from year to year at Licensee's election on written notice on or before April 20 of each year. After reciting Licensor's ownership of 16 U. S. Patents' grants the right to Gen. Film Co.: 1. For U. S. and possessions to have positives manufactured for it by Patents Co. Licensees, which positives it shall own, on film of about 1", under re-issue No. 12,192, from negatives made in foreign countries, which are procured by it from others than Patents Co. Licensees. <i>Continued on next page</i>

No.	Page			Date	Short Description
65	425	Motion Pict. Pts. Co.	General Film Co. (a corporation) Limited Mfrs. and Importers Agreement	21 Apr. 1910	<p><i>Continued from preceding page</i></p> <p>2. To purchase positives manufactured in foreign countries</p> <p>3. To lease said positives so manufactured for and purchased by it, in the U. S. and possessions, to exhibitors for use solely in projecting machines under Licensor's 13 projecting machine patents and licensed by Licensor.</p> <p>4. To sell said positives so manufactured for and purchased by it, in the insular possessions and Alaska and foreign countries.</p> <p>5. To lease positives; not limited to a single lease to one exhibitor, but subject to provisions of par. 14, sec. 5, p. 431, Licensee may lease the same as often and to as many different exhibitors as it may desire.</p>
66	436	Edison Mfg. Co.	General Film Co.	21 Apr. 1910	<p>Agreement (personal and non-assignable) to continue until Aug. 26, 1919, the date of expiration of No. 707, 934, but terminable on termination of License by M. P. P. Co. to E. M. Co. (par. 2) or on termination of License from M. P. P. Co. to G. F. Co. (par. 3).</p> <p>E. M. Co. agrees</p> <p>1. To supply G. F. Co. with as many copies of each of its releases as G. F. Co. requires in the conduct of its business at the same leasing prices, terms and conditions as it supplies others, without discrimination.</p> <p>2. G. F. Co. may lease Licensed Motion Pictures from the</p> <p><i>Continued on next page</i></p>

No.	Page			Date	Short Description
66	436	Edison Mfg. Co.	General Film Co.	21 April 1910	<p><i>Continued from preceding page</i></p> <p>other Patents Company Licensees and supply the same to exhibitors.</p> <p>3. The G. F. Co. shall not be required to lease more than 80 reels of about 1,000 running feet per reel in any two consecutive weeks.</p> <p>G. F. Co. agrees.</p> <p>1. To lease positives and extend the use thereof by exhibitors using Licensed Projecting Machines.</p> <p>2. For each 62 customers or the major fraction thereof that it serves during any two consecutive weeks from any place of business operated by it, it will lease from the E. M. Co. during each such two weeks and will distribute from each such place of business 1 reel of subjects released by E. M. Co. not more than 1 month previously of about 1,000 running feet, p. 438</p> <p>3. The G. F. Co. will so lease such reel for each such place of business during such two weeks, even if its customers therefrom during such time do not aggregate 62 or the major fraction thereof.</p> <p>4. Covenant as to payment of leasing prices.</p> <p>5. Covenant as to the payment of share of net profits realized yearly from sub-leasing and leasing of Licensed Motion Pictures and from sale of Licensed Projecting Machines (pars. 8 and 9,) p. 438-9.</p>
67	443	Biograph Co.	General Film Co.	21 Apr. 1910	do do
68	443	Essanay Film Mfg. Co.	General Film Co.	21 Apr. 1910	do do

No.	Page			Date	Short Description
69	443	Kalem Co., Inc.	General Film Co.	21 Apr. 1910	do do
70	443	Lubin Mfg. Co.	General Film Co.	21 Apr. 1910	do do
71	443	Selig Polyscope Co.	General Film Co.	21 Apr. 1910	do do
72	443	The Vitagraph Co. of America	General Film Co.	21 Apr. 1910	do do
73	443	Geo. Kleine	General Film Co.	21 Apr. 1910	do do
74	443	Gaston Melies	General Film Co.	21 Apr. 1910	do do
75	443	Pathe Freres	General Film Co.	21 Apr. 1910	do do
76	444	Motion Pict. Pts. Co.	Edison Mfg. Co. and Eastman Kodak Co. (Schedule A)	14 Feb. 1911	<p>Recites Agreement 1 January 1909 No. 34, p. 257, as modified by Agreement 15 June 1909 No. 61, p. 349; and further modifies said No. 34, as follows:</p> <p>1. By striking out the entire paragraph No. 14 and substituting therefor a new par. 14, whereby, the E. K. Co. agrees:</p> <p>(a) To diligently fill all orders for Licensed Film with a Nitro Cellulose base, received from Patents Co. Licensees of an average quality equal to the average quality of such film heretofore supplied by it to its customers, but if the total amount of such film suitable for commercial negatives and positives required by its domestic</p>

Continued on next page

No.	Page			Date	Short Description
76	444	Motion Pict. Pts. Co.	Edison Mfg. Co. and Eastman Kodak Co. (Schedule A)	14 Feb. 1911	<p><i>Continued from preceding page</i></p> <p>and foreign customers should exceed its output thereof, then each Licensee to be entitled only to the same proportion of the output of such film that the Licensee had of its total output the previous calendar year.</p> <p>(b) To manufacture Licensed Film with Nitro Cellulose base by its present secret processes, compositions and inventions.</p> <p>(c) It will not knowingly furnish or sell in the U. S. and its possessions such other sensitized film for commercial negatives and positives to any one but said Patents Co. Licensees except for export and except to the extent of $2\frac{1}{2}\%$ of the total amount of such Licensed Film supplied to the parties (Edison Licensees par. 3, No. 34, pp. 258-9) and to said patents Co. Licensees from Jan. 1 to June 20, 1909 and to said Patents Co. Licensees during any one year accounting from June 20, 1909.</p> <p>(d) To furnish or supply to persons not engaged in the business of mfg., selling, etc., "Scientific Film" and to collect royalty of $\frac{1}{2}\%$ per running foot therefor, as provided in par. 18 hereof, p. 447.</p> <p>(e) To manufacture and sell Sensitized Film with a Nitro Cellulose base, in the U. S. and possessions to non-licensed mfrs. without royalty.</p> <p>(f) To manufacture and sell Sensitized Film with a Nitro Cellulose base to others, that is, to persons, etc., who sell such film unexposed to "non-licensed mfrs." in the U. S. and possessions without royalty.</p> <p><i>Continued on next page</i></p>

No.	Page			Date	Short Description
76	444	Motion Pict. Pts. Co.	Edison Mfg. Co. and Eastman Kodak Co. (Schedule A)	14 Feb. 1911	<p><i>Continued from preceding page</i></p> <p>(g) To give to the Patents Co. Licensees who may make an agreement with the E. K. Co. substantially the same as Schedule A, p. 449, a discount of 5% off the prices provided for in Par. 16, p. 266, exclusive of the royalties referred to therein ("net prices").</p> <p>(h) It will not sell or permit others to sell such Film of its manufacture to the non-licensed mfrs. at less than the net prices to the Patents Co. Licensees plus 1/2c. per running foot of such film.</p> <p>(i) It may sell such Film to certain non-licensed mfrs. termed "foreign manufacturers" at not less than said net prices without the addition thereto of 1/2c. per running foot of such film.</p> <p>2. By striking out of No. 34, par. 18, at p. 268, lines 11-19 so as to re-adjust the royalty on "Scientific Film."</p> <p>3. By amending par. 20 of No. 34, p. 271 and par. 21, p. 272 so as to apply the same clearly to "Scientific Film."</p>
77	454	Motion Pict. Pts. Co.	Eastman Kodak Co.	14 Feb. 1911	<p>Recites Agreement 15 June 1909 No. 61, p. 349 respecting the sale by the E. K. Co. of N. I. Sensitized Film with a cellulose acetate base and alters and modifies the same so as to apply the said Agreement to non-licensed manufacturers and to others that is, to persons, etc., who sell such N. I. Film to "non-licensed manufacturers" and adjusts prices.</p> <p><i>Continued on next page</i></p>

No.	Page			Date	Short Description
77	454	Motion Pict. Pts. Co.	Eastman Kodak Co.	14 Feb. 1911	<i>Continued from preceding page</i> Continues said Agreement No. 61, p. 349 until July 1, 1912 and thereafter from year to year unless either of said parties at least 60 days before the expiration of said original term or a subsequent term elects by notice in writing to terminate the same.
78	457	Motion Pict. Pts. Co.	Edison Mfg. Co. and Biograph Co.	14 Feb. 1911	Modifies and alters Agreement Dec. 18, 1908 No. 21, p. 129 at p. 133 by cancelling second clause of par. No. 4, thereof, and substituting therefor a new clause, whereby the provisions in respect to the non-inflammable film with a cellulose acetate base as established by Agreement No. 61, p. 349, are applied to the terms and provisions of said Agreement No. 21.
79	460	Motion Pict. Pts. Co.	Edison Mfg. Co.	14 Feb. 1911	do do
80	460	Motion Pict. Pts. Co.	Edison Mfg. Co. & Essanay Film Mfg. Co.	14 Feb. 1911	do do
81	460	Motion Pict. Pts. Co.	Edison Mfg. Co. and Gaston Melies	14 Feb. 1911	do do
82	460	Motion Pict. Pts. Co.	Edison Mfg. Co. and Pathe Freres	14 Feb. 1911	do do
83	460	Motion Pict. Pts. Co.	Edison Mfg. Co. and Selig Poly- scope Co.	14 Feb. 1911	do do
84	460	Motion Pict. Pts. Co.	Edison Mfg. Co. and The Vita- graph Co. of America	14 Feb. 1911	do do

No.	Page			Date	Short Description
85	460	Motion Picture Pts. Co.	Edison Mfg. Co. and Lubin Mfg. Co.	14 Feb. 1911	do do
86	460	Motion Picture Pts. Co.	Edison Mfg. Co. and George Kleine	14 Feb. 1911	do do
87	460	Motion Picture Pts. Co.	Edison Mfg. Co. and Kalem Co., Inc.	14 Feb. 1911	do do
88	461	Motion Picture Pts. Co.	Exchange Bulletin No. 33 (New Paragraph 3)	13 Sept. 1911	In effect 1 Oct. 1911. By virtue of par. 20 of No. 29, at p. 245, par. 3 of said No. 29 at p. 241 is changed and a new par. 3 substituted in lieu thereof, whereby there is omitted therefrom "And only for use in the United States and its territories."
89	462	Motion Picture Pts. Co.	Biograph Co.	6 June 1912	New License (personal) to Biograph Co. (in effect June 20, 1912, to continue until June 20, 1913, renewable at election of Licensee for one year ending June 20, 1914 by written notice on or before May 20, 1913) Recites: The 16 U. S. Patents (par. 2) The suspension of the Edison licenses (par. 2a) The termination hereby of the 10 License Agreements of the M. P. P. Co. Licensees together with any and all agreements modifying the same. Grants the right: 1. Under re-issue No. 13,329 (12,037) and No. 629,063 and No. 707,934 for the U. S. and its possessions to manufacture and use cameras thereunder for the proper conduct of Licensee's business.

Continued on next page

No.	Page			Date	Short Description
89	462	Motion Pict. Pts. Co.	Biograph Co.	6 June 1912	<p><i>Continued from preceding page</i></p> <p>2. To manufacture, print and produce positives under No. 12,192 and to lease said positives in the U. S. and its possessions (except insular and Alaska) on film of a greater width than about 1" for use solely in projecting machines under its 13 projecting machine patents or some of them and licensed by the Licensor.</p> <p>3. To sell or lease positives under No. 12,192 on film of about 1" or less in the insular possessions and Alaska.</p> <p>4. To sell or lease positives on film of any width in said insular possessions and Alaska and foreign countries.</p> <p>New License alters, modifies and adds to the Agreement of Dec. 18, 1908 No. 20, p. 105, generally as follows:</p> <p>(a) Par. 4, p. 109 in reference to exclusively sensitized film omitted.</p> <p>(b) By reason of the waiver of the exclusively sensitized film and the permission to purchase film any where or use any film (par. 25, p. 476 broadening old par. 18, p. 120) a new system of collecting royalty is established under pars. 10 and 11, p. 466-8.</p> <p>(c) May sell raw stock of film, par. 5, p. 113 being omitted from the New Agreement.</p> <p>(d) New conditions of use of motion pictures and copyright provisions added by par. 15, p. 471.</p> <p>(e) Scale of minimum prices</p> <p>N. I. Film added.</p> <p><i>Continued on next page</i></p>

No.	Page			Date	Short Description
89	462	Motion Pict. Pts. Co.	Biograph Co.	6 June 1912	<p><i>Continued from preceding page</i></p> <p>(f) Standing Orders to remain in force for 21 days.</p> <p>(g) Cost of special motion picture negatives reduced, par. 19, p. 473.</p> <p>(h) Votes of licensees omitted, par. 23, p. 474.</p> <p>Votes of licensees omitted, par. 24, p. 476, but not omitted par. 27, p. 479.</p> <p>(i) New par. 24, p. 475 corresponds with old par. 17, p. 118 covering terms of conditions of lease and</p> <p>(a) Substitutes "90% of the amount that was so leased during the seventh month preceding the date of each such return;"</p> <p>(b) Omits the fixing of sub-leasing prices of positives.</p> <p>(j) New par. 27, p. 479 modifies old par. 20:</p> <p>(a) Kleine to have an additional right to import negatives more than 1500 running feet in length and to manufacture positives therefrom or have the same manufactured therefrom by the other 9 licensees;</p> <p>(b) Written licenses to individuals to use cameras to be leased by non-transferable lease, from the 10 licensees (except Kleine) for use to make negatives to be used by said licensees (except Kleine) to produce positives for lease or sale by said licensees (except Kleine) in the U. S. or Canada.</p>

No.	Page			Date	Short Description
90	486	Motion Pict. Pts. Co.	Edison Mfg. Co.	6 June 1912	<p>New License (personal), Terminable and renewable par 32, p. 505, identical with No. 89 (Biograph) par. 32, p. 483.</p> <p>Differs generally from Biograph, No. 89, p. 462, as follows:</p> <p>1. Pars. 10 and 11 of No. 89, pp. 466-8 omitted herefrom and par. 12 of No. 89, p. 468 modified. These omissions and modification affect film royalties.</p> <p>2. From par. 27, p. 501 is omitted:</p> <p>"Except to Pathe Freres and except to the Edison Company and the latter shall only be more favorable to it in the matter of the payment of royalties to the Licensor."</p> <p>3. From par. 28, clause 4, pp. 503-4 is omitted:</p> <p>"Than those above provided for (royalties projecting machines) including such license fees or royalties; except the Biograph Company aforesaid which is not to pay any such license fees or royalties."</p>
.91	508	Motion Pict. Pts. Co.	Thos. A. Edison, Inc. and Essanay Film Mfg. Co.	6 June 1912	<p>New License (personal), Terminable and renewable par. 32, p. 530 identical with Biograph No. 89, par. 32, p. 483 and Edison No. 90, par. 32, p. 505.</p> <p>Differs generally from Biograph No. 89, p. 462, as follows:</p> <p>1. Tri-partite in form to effect suspension of the Edison License agreements, par. 34, p. 531.</p> <p>2. From par. 28, clause 4, p. 528 is omitted:</p>

Continued on next page

No.	Page			Date	Short Description
91	508	Motion Pict. Pts. Co.	Thos. A. Edison, Inc. and Essany Film Mfg. Co.	6 June 1912	<p><i>Continued from preceding page</i></p> <p>"Than those above provided for (royalties projecting machines) including such license fees or royalties; except the Biograph Company aforesaid, which is not to pay any such license fees or royalties."</p> <p>3. Par. 29, sec. 529 is not in the Biograph No. 89, nor Edison No. 90 agreements. It provides:</p> <p>(a) For Licensee's books of account or royalties for the use of projecting machines;</p> <p>(b) To render sworn statements of such royalties at certain times;</p> <p>(c) Licensor to pay to the Licensee a certain proportionate share of 24% of the gross royalties for the use of projecting machines; and</p> <p>(d) Biograph and Edison companies not to share in or be paid any part of said 24%.</p> <p>4. Par. 34, p. 531 relates to the suspension of the Edison Licensee Agreements.</p>
92	534	Motion Pict. Pts. Co.	Kalem Co., Inc.	6 June 1912	do do
93	534	Motion Pict. Pts. Co.	Lubin Mfg. Co.	6 June 1912	do do
94	534	Motion Pict. Pts. Co.	Selig Polyscope Co.	6 June 1912	do do
95	534	Motion Pict. Pts. Co.	The Vitagraph Co. of America	6 June 1912	do do

No.	Page			Date	Short Description
96	535	Motion Pict. Pts. Co.	George Kleine	6 June 1912	<p>New License (personal), Terminable par. 6, clause 3, p. 539 and clause 4, p. 540 and par. 31, p. 537.</p> <p>By paragraph 33, p. 558, the agreement of 18th December 1908, No. 27, p. 180, is terminated as of 19th June, 1912.</p> <p>Grants: The right under re-issue No. 12,192 for the U. S. and possessions:</p> <ol style="list-style-type: none"> 1. To import positives. 2. To import negatives and print positives therefrom in the U. S. 3. Such negatives or positives so imported to be manufactured by "Cines," "Urban Trading Company" and "Eclipse." To be of the kind now manufactured by said companies and now imported into the U. S. by Kleine under the trademarks "Cines" and "Urban-Eclipse." 4. Such negatives or positives to be limited to the amount of 3000 running feet of new subjects per week and to be divided: <ul style="list-style-type: none"> "Cines" 2,000 feet "Urban-Eclipse" 1,000 feet with a permitted variation of 200 feet each quantity. 5. The total quantity imported and printed and offered for lease in any one month shall not be in excess of an average of 3000 feet of new subjects per week. 6. In addition to said 3000 feet Kleine may also import negatives of special subjects of more than 1500 running feet in length made by any of the foreign manufacturers whose product Kleine is hereby licensed to import, such importation to be made only after approval of

Continued on next page

No.	Page			Date	Short Description
96	535	Motion Pict. Pts. Co.	George Kleine	6 June 1912	<p><i>Continued from preceding page</i></p> <p>such special subject by Licensor and the importation of the negative thereof has been authorized in writing by Licensor.</p> <p>7. Kleine may make, or with Licensor's consent have made for him by one of the other nine M. P. P. Co. licensees (2 b, p. 537) (Sec. 26 p. 553) and lease or sell under the terms hereof positives from such imported negatives.</p> <p>8. To lease said imported or printed positives in the U. S. and possessions on film greater than about 1 inch for use solely in projecting machines under Licensor's 13 projecting machine patents and licensed by Licensor.</p> <p>9. To sell or lease positives under re-issue No. 12,192 on film of about 1 inch or less in the insular possessions and Alaska.</p> <p>10. To sell or lease on film of any width in said insular possessions and Alaska and foreign countries.</p> <p>11. Licensor will grant upon request a license to manufacture and sell projecting machines under its projecting machine patents (par. 27, pp. 254 and 255).</p> <p>Differs generally from New Biograph No. 89, p 462, to wit:</p> <p>1. Par. 14, p. 554. Certain duplicates permissive.</p> <p>2. Par. 18, p. 547. Omits fixing price for negatives.</p> <p>3. Par. 26, p. 553. (Corresponding to Biograph agreement No. 89, par. 27, p. 479) applied to Kleine and modified and shortened.</p> <p><i>Continued on next page</i></p>

No.	Page			Date	Short Description
96	535	Motion Pict. Pts. Co.	George Kleine	6 June 1912	<p><i>Continued from preceding page</i></p> <p>4. Par. 28, p. 556. (Corresponding to Essanay No. 91 par. 29, p. 529) is not in Biograph No. 89, or Edison No. 90 agreements. It provides:</p> <p>(a) For Licensees books of account of royalties for use of projecting machines.</p> <p>(b) To render statements of such royalties at certain times.</p> <p>(c) Licensor to pay Licensee a certain proportionate share of 24% of the gross royalties for use of projecting machines.</p> <p>(d) Biograph and Edison Companies not to share in or be paid any part of said 24%.</p>
97	560	Motion Pict. Pts. Co.	Gaston Melies	6 June 1912	<p>New License (personal). Temporary and contingent, in effect June 20th, 1912, par. 33, p. 582; to continue until June 20th 1913; renewable for another year on election of Licensee by notice in writing on or before May 20th, 1914; terminable par. 8, clauses 4, 5, 6 and 7, p. 564; par. 33, p. 582.</p> <p>Recites par. 4, p. 561:</p> <p>A license granted under re-issues Nos. 12,037 and 12,192 by the Edison Co. to Licensee and the transfer thereof by him to the "George Melies Co. of Chicago" and the title thereto and the termination thereof and right of Licensee to procure a license from Licensor re in litigation.</p> <p>By par. 35, p. 583, the agreement of July 20th, 1909, No. 62, p. 395, is terminated as of the 19th day of June, 1912.</p> <p><i>Continued on next page</i></p>

No.	Page			Date	Short Description
97	560	Motion Pict. Pts. Co.	Gaston Melies	6 June 1912	<p><i>Continued from preceding page</i></p> <p>Grants the right:</p> <p>Under re-issue No. 13,329 (12,-037) and Nos. 629,063 and 707,-934 for the United States and its possessions:</p> <ol style="list-style-type: none"> 1. To manufacture and use cameras under said patents necessary for the proper conduct of his business; 2. To import into U. S. and possessions negatives made by George Melies in France; 3. To import positives from negatives made by said George Melies in France prior to 1904 of which Gaston Melies has no negative in this country. 4. To manufacture, print and produce positives under re-issue No. 12,192 and to lease in the U. S. and possessions all of said positives so imported or printed on film of a width greater than about an inch for use solely in projecting machines under Licensor's 13 projecting machine patents licensed by the Licensor. 5. To sell positives under re-issue No. 12,192 on film of a width of about one inch or less in the U. S. and possessions. 6. To sell positives on film of any width in insular possessions and Alaska and foreign countries; 7. To offer for lease in the U. S. and possessions only so many running feet of new subjects printed from negatives made by the Licensee in the U. S. and possessions as when added to all of the running feet of new subjects placed on sale by Geo. <p><i>Continued on next page</i></p>

No.	Page			Date	Short Description
97	560	Motion Pict. Pts. Co.	Gaston Melies	6 June 1912	<p><i>Continued from preceding page</i></p> <p>Melies in France shall equal 1,000 running feet per week. (Par. 8, cl. 3, p. 563).</p> <p>8. In addition, to offer for lease in the U. S. and possessions positives of special subjects the negatives whereof have been made by the Licensee and which are more than 1500 running feet in length after each has been approved by the Licensor and such leasing authorized by the Licensor.</p> <p>9. The Licensor will grant a license to Licensee upon his request to manufacture and sell projecting machines under its letters patent. (Par. 29 cl. 4, p. 579.)</p> <p>Differs from Klein New Agreement No. 96, p. 535:</p> <p>1. By omitting pars. 2a, p. 536 and 2b, p. 537 of Kleine's new agreement No. 96, being recitals of Edison licensees and Motion Picture Patents Company's licensees.</p> <p>2. Names to be associated with him to be submitted to Licensor, p. 564.</p> <p>3. Certain duplicates permitted, par. 16, p. 569.</p> <p>4. Price for making the negatives and the leasing of the first positive special motion pictures fixed at not less than 50 cents per running foot, and price of positives therefrom after the first, to be leased at not less than 15 cents per running foot.</p> <p>5. Licensor may grant other licenses, par. 28, p. 577, not only under re-issues Nos. 13,329</p> <p><i>Continued on next page</i></p>

No.	Page		Date	Short Description
97	560	Motion Pict. Pts. Co.	Gaston Melies	6 June 1912 <i>Continued from preceding page</i> and 12,192, but under 629,063 and 707,934 so far as the use thereof in cameras is concerned not to exceed 9 in number except by a majority vote etc., corresponding to new Biograph No. 89, par. 27, p. 479, and new Edison No. 90, par. 27, p. 501.
98	585	Motion Pict. Pts. Co.	Pathe Freres	6 June 1912 New License (personal); in effect June 20th, 1912, par. 32, p. 609; to continue until June 20th, 1913; renewable for one year ending June 20th, 1914 on election of Licensee by notice in writing on or before May 20th, 1913; terminable par. 7, clause 2, p. 589. By par. 35, p. 611, the agreement of the 18th of December, 1908, No. 28, p. 209 is terminated as of June 19th, 1912. Differs from Biograph No. 89, p. 462 as follows: 1. Tri-partite in form to effect suspension of the Edison license agreements, par. 34, p. 610. 2. No restriction as to licensed film. 3. Licensee acquires a right to sell or lease positives under reissue No. 12,192 on film one inch or less in the U. S. and its possessions (Compare p. 108). 4. Right to sell or lease film of any width for use in the insular possessions and Alaska and foreign countries (Compare p. 108). 5. Right to obtain from the "Compagnie Generale" and import into the U. S. and its possessions negatives with a single corresponding positive or print <i>Continued on next page</i>

No.	Page			Date	Short Description
98	585	Motion Pict. Pts. Co.	Pathe Freres	6 June 1912	<p><i>Continued from preceding page</i></p> <p>of each, and such colored positives (when 2 or more colors are used thereon) produced by said Compagnie Generale as Licensee may desire and also all such positives produced by said Compagnie from negatives made prior to June 20th, 1908 for which the Licensee has no negative in U. S., and all such positives produced by said Compagnie from any negatives made by it after June 20th, 1908, of which said Compagnie has no duplicate (because for commercial or other reasons it has been impracticable for it to make a duplicate negative) as the Licensee may need to fill orders therefor.</p> <p>6. And to lease all such positives on film of a width greater than about an inch in the U. S. and possessions.</p> <p>7. And to lease all such positives on film of any width only in the insular possessions and Alaska or "for export."</p> <p>8. And to use said negatives so obtained and imported in the manufacture of positives on film greater than about an inch for lease in the U. S. and possessions.</p> <p>9. And to use said negatives so obtained and imported in the manufacture of positives on film of any width for sale in the insular possessions and Alsaka or for export without payment of royalty on such imported negatives or positives.</p> <p>10. Paragraph 15 of New Biograph No. 89, p. 470, modified by par. 15, p. 595, so that the provisions respecting duplicates and copyrights, etc., shall not</p> <p><i>Continued on next page</i></p>

No.	Page			Date	Short Description
98	585	Motion Pict. Pts. Co.	Pathe Freres	6 June 1912	<p><i>Continued from preceding page</i></p> <p>prevent or interfere with or apply to importations by the Licensee of the negatives under par. 10, p. 590, 591, hereof.</p> <p>11. By par. 29, p. 607, corresponding to Essanay No. 91, par. 29, p. 529, it provides:</p> <p>(a) For licensee's books of account of royalties for use of projecting machines.</p> <p>(b) To render statements of such royalties at certain times.</p> <p>(c) Licensor to pay Licensee a certain proportionate share of 24% of the gross royalties for use of projecting machines.</p> <p>(d) Biograph and Edison not to share in or to be paid any part of said 24%.</p>
99	613	Motion Pict. Pts. Co.	Precision Machine Co. Inc.	20 June 1912	<p>License (personal); in effect June 20th, 1912; to continue until June 20th, 1913; renewable from year to year on election of Licensee by notice in writing before the 20th of March in each year under the Armat, Armat-Jenkins, Vitagraph, Biograph, and Edison camera and film patents; identical with No. 35, p. 279.</p>
100	624	Motion Pict. Pts. Co.	Exchange Bulletin No. 36 (New Paragraph 9)	27 Aug. 1912	<p>In effect first of October, 1912. By virtue of par. 20 of No. 29, p. 245, Par. 9 of said No. 29, at p. 242, is changed by the cancellation thereof and the substitution in lieu thereof of the new par. No. 9, p. 624, whereby:</p> <p>1. The Licensee shall return on the 1st day of every month to each licensed manufacturer or importer "the number of reels</p> <p><i>Continued on next page</i></p>

No.	Page			Date	Short Description
100	624	Motion Pict. Pts. Co.	Exchange Bulletin No. 36 (New Paragraph 9)	27 Aug. 1912	<p><i>Continued from preceding page</i></p> <p>of positive motion pictures of approximately 1,000 feet in length of the make of said licensed manufacturer or importer equal to the number of reels of approximately 1,000 feet in length of licensed motion pictures leased from said licensed manufacturer or importer during the seventh month preceding the day of each such return."</p> <p>2. On the 1st day of each month the Licensee shall forward to each licensed manufacturer or importer a statement of the names of the subjects and the number of reels of positives returned on that day.</p>
101	625	Motion Pict. Pts. Co.	Exchange Bulletin No. 37 (New Paragraph 5)	15 Oct. 1912	<p>In effect on the 1st of November, 1912. By virtue of par. 20, No. 29, at p. 245. Par. 5 in said No. 29 at p. 241 is changed by cancellation thereof and the substitution therefor of a new par. 5 at p. 625 whereby:</p> <p>1. Standing orders shall remain in force for not less than 21 consecutive days and may be cancelled or reduced by the Licensee on 21 days' notice.</p> <p>2. And the leasing prices of licensed positives which became effective July 17th, 1911, by virtue of Exchange Bulletin No. 32, dated June 30, 1911, is further modified and a new scale adopted.</p>
102	627	Motion Pict. Pts. Co.	Eastman Kodak Co. (Termination of Agreement of January 1st, 1909, as modified by 14 February, 1911)	15 Jan. 1913	<p>Letter dated January 15, 1913, from Motion Picture Patents Company to Eastman Kodak Company electing under agreement No. 34, p. 257, as modified by agreement No. 76, p. 444, to terminate and thereby terminating, said agreement as modified, 60 days from January 15, 1913; to wit, the 15th day of March, 1913.</p>

No.	Page			Date	Short Description
103	628	Motion Pict. Pts. Co.	Eastman Kodak Co. (Termination of Agreement of June 15, 1909, as modified by 14 February, 1911)	15 Jan. 1913	Letter dated January 15, 1913, from Motion Picture Patents Company to Eastman Kodak Company electing under agreement No. 61, p. 349, as modified by agreement No. 77, p. 454, to terminate and thereby terminating , said agreement as modified on the 1st day of July, 1913.
104	629	Motion Pict. Pts. Co.	George Kleine	1 Feb. 1913	<p>New Manufacturing License (personal and contingent; assignable to corporation by agreement, par. 32, p. 653) in effect 1st of February, 1913, but license granted not effective and operative until the voluntary termination by the Licensee before breach of his agreement No. 96, p. 535, and said voluntary termination must be not later than September 5th, 1914. Terminable par. 5, clause 2, p. 633; par. 29, p. 651; renewable for another year ending June 20th, 1914, by written notice of election prior to May 20th, 1913.</p> <p>Grants the right underre-issue 13,329 (12,037) and Nos. 629,063 and 707,934 for the United States and possessions:</p> <ol style="list-style-type: none"> 1. To manufacture and use cameras under said patents necessary and proper for the conduct of Licensee's business. 2. To manufacture, print and produce positives under re-issue No. 12,192. 3. To lease same in U. S. and possessions on film greater than about one inch for use solely in projecting machines under Licensor's 13 patents and licensed by the Licensor.

Continued on next page

No.	Page			Date	Short Description
104	629	Motion Pict. Pts. Co.	George Kleine	1 Feb. 1913	<p><i>Continued from preceding page</i></p> <p>4. To sell or lease positives under said re-issue No. 12,192 on film of about one inch or less in the U. S. and possessions.</p> <p>5. To sell or lease positives on film of any width in or for use in the insular possessions, Alaska and foreign countries.</p> <p>Differs from New Biograph No. 89, p. 462:</p> <p>1. Par. 24, clauses 1, 2, 3, p. 646, is modified so that the number of thousand running feet of new subjects offered for sale or lease by Kleine during such year under his license agreement of June 6th, 1912, No. 96, to be added, for the purpose of apportioning legal expenses, to the number of thousand of running feet of new subjects offered for sale or lease during such year by the Licensee under this license.</p> <p>2. Par. 27 of new Biograph agreement No. 89, p. 479 is omitted herefrom.</p> <p>3. By par. 26, p. 649 (corresponding to Essanay No. 91, par. 29, p. 529) provision is made for Licensee's books of account of royalties for use of projecting machines and statements thereof, and Licensor's payment of proportionate share of 24% of the gross royalties for use of projecting machines.</p> <p>4. By par. 31, p. 652 the number of running feet so leased and used by Kleine on which royalties have been charged and collected by the Licensor paid by him in his agreement of June 6th, 1912, (No. 96, p. 535) as well as the number of thousand running feet of new sub-</p> <p><i>Continued on next page</i></p>

No.	Page			Date	Short Description
104	629	Motion Pict. Pts. Co.	George Kleine	1 Feb. 1913	<p><i>Continued from preceding page</i></p> <p>jects offered for lease or sale by Kleine thereunder, which are taken into consideration herein for the purposes of royalty adjustments, payments, and apportionment and payment of legal expenses, under par. 9, 26, and 24 hereof respectively, shall not be taken into consideration for such respective purposes under his agreement No. 96 aforesaid of June 6th, 1912.</p> <p>5. By par. 32, p. 653, provision is made for the assignment of this license to a corporation to be organized herein after.</p>
106	662	Motion Pict. Pts. Co.	Gaston Melies	26 Feb. 1913	<p>Agreement and License, modifying temporary and contingent Agreement No. 97, p. 560 and ratifying said Agreement No. 97 as modified hereby.</p> <p>Recites: The final determination of the "equity suit" of Geo. Melies Co. vs. M. P. P. Co. and Edison Mfg. Co., No. 97, par. 4, p. 561; par. 8, clause 6, p. 564; and desire of Licensor and Licensee to to reform said No. 97 so as to make the said Agreement No. 97 permanent.</p> <p>Grants and confirms to Gaston Melies, J. Stuart Blackton and Albert E. Smith independently of the business of The Vitagraph Company of America, except as to such matters as would naturally arise by reason of the common interests of said Blackton and Smith in said Company and in said business carried on under said Agreement No. 97, p. 560 and that</p> <p><i>Continued on next page</i></p>

No.	Page			Date	Short Description
105	662	Motion Pict. Pts. Co.	Gaston Melies	26 Feb. 1913	<p><i>Continued from preceding page</i></p> <p>there shall be no interchange of employees and actors and no manufacturing plant or studio common to both said businesses, —all the rights under said Agreement No. 97, except as modified herein as follows:</p> <p>1. The second clause of par. 8, p. 563 of said No. 97 is cancelled, whereby the limitations placed upon the amount of running feet of new subjects put on the market by said Gaston Melies and on new subjects made and offered for sale in France by George, are withdrawn.</p> <p>2. The 3rd clause of par. 8, p. 563, is cancelled, whereby a restriction affecting positives of special subjects—the negatives of which have been made by Gaston and which are more than 1500 feet in length, subject to the approval of Licensor and authority from Licensor to lease, is withdrawn.</p> <p>3. The 6th clause, of par. 8, 564, is hereby cancelled to the end that the temporary and contingent character of the Agreement No. 97, by virtue of "said equity suit" may be made permanent hereby.</p> <p>4. The approval by Licensor under the 7th clause of par. 8, p. 564, whereby Gaston Melies under said Agreement No. 97 submitted to Licensor his said associates as hereinabove named, in the business to be carried on under said Agreement, is hereby expressly confirmed, as above set forth.</p>

AGREEMENTS

GENERAL SUBJECT MATTER INDEX—

Miscellaneous License Agreements Prior to Motion Picture Patents Company

No.	Page		
1	3	Amer. Mut. & Bio. Co. of N. J. Marvin, Casler and others	12 Mar. 1898
2	8	Amer. Mut. & Bio. Co. of N. J. Armat Moving Pict. Co.	19 Feb. 1904
10	36	Amer. Mut. & Bio. Co. of N. J. Williams, Brown & Earle, et al.	18 Feb. 1908
11	41	Amer. Mut. & Bio. Co. of N. J. Armat Moving Pict. Co.	21 Mar. 1908

Edison Licensee Agreements

5	27	Edison Mfg. Co.	Essanay Film Mfg. Co.	31 Jan. 1908
3	12	Edison Mfg. Co.	Kalem Co., Inc.	31 Jan. 1908
7	27	Edison Mfg. Co.	Siegmund Lubin	31 Jan. 1908
8	28	Edison Mfg. Co.	Gaston Melies	31 Jan. 1908
4	27	Edison Mfg. Co.	Selig Polyscope Co.	31 Jan. 1908
6	27	Edison Mfg. Co.	The Vitagraph Co. of America	31 Jan. 1908
14	64	Edison Mfg. Co.	Pathe Freres	20 May 1908
9	31	Conditional Sales Agreement	Edison Exchanges	15 Feb. 1908
15	81	Modification of Paragraph 15 of the Edison Exchange Agreement of 15 February 1908		1 Dec. 1908

Sensitized and N. I. Film Agreements

12	47	Eastman Kodak Co.	Edison Mfg. Co.	20 May 1908
13	59	Eastman Kodak Co.	Edison Mfg. Co.	20 May 1908
34	257	Eastman Kodak Co. and Edison Mfg. Co.	Motion Pict. Pts. Co.	1 Jan. 1909
60	345	Eastman Kodak Co.	Motion Pict. Pts. Co.	15 June 1909
61	349	Eastman Kodak Co.	Motion Pict. Pts. Co.	15 June 1909
76	444	Eastman Kodak Co. and Edison Mfg. Co.	Motion Pict. Pts. Co.	14 Feb. 1911
77	454	Eastman Kodak Co.	Motion Pict. Pts. Co.	14 Feb. 1911
102	627	Eastman Kodak Co.	Motion Pict. Pts. Co.	15 Jan. 1913
103	628	Eastman Kodak Co.	Motion Pict. Pts. Co.	15 Jan. 1913

Modification of Motion Picture Patents Company's License Agreements to Conform to Film Agreements

78	457	Motion Pict. Pts. Co.	Edison Mfg. Co. and Bio. Co.	14 Feb. 1911
79	460	Motion Pict. Pts. Co.	Edison Mfg. Co.	14 Feb. 1911
80	460	Motion Pict. Pts. Co.	Edison Mfg. Co. and Essanay Film Mfg. Co.	14 Feb. 1911
81	460	Motion Pict. Pts. Co.	Edison Mfg. Co. and Gaston Melies	14 Feb. 1911
82	460	Motion Pict. Pts. Co.	Edison Mfg. Co. and Pathe Freres	14 Feb. 1911
83	460	Motion Pict. Pts. Co.	Edison Mfg. Co. and Selig Polyscope Co.	14 Feb. 1911
84	460	Motion Pict. Pts. Co.	Edison Mfg. Co. and The Vitagraph Co. of America	14 Feb. 1911
85	460	Motion Pict. Pts. Co.	Edison Mfg. Co. and Lubin Mfg. Co.	14 Feb. 1911
86	460	Motion Pict. Pts. Co.	Edison Mfg. Co. and George Kleine	14 Feb. 1911
87	460	Motion Pict. Pts. Co.	Edison Mfg. Co. and Kalem Co., Inc.	14 Feb. 1911

Agreements to Assign Patents

No.	Page			
16	82	Armat Moving Picture Co.	Motion Pict. Pts. Co.	18 Dec. 1908
17	88	American Mutoscope & Bio. Co.	Motion Pict. Pts. Co.	18 Dec. 1908
18	94	Edison Mfg. Co.	Motion Pict. Pts. Co.	18 Dec. 1908
19	101	The Vitagraph Co. of America	Motion Pict. Pts. Co.	18 Dec. 1908
57	338	Gaumont Co. of New York	Motion Pict. Pts. Co.	2 Mar. 1909

Assignments of Patents

30	246	Armat Moving Picture Co.	Motion Pict. Pts. Co.	31 Dec. 1908
31	248	American Mutoscope & Bio. Co.	Motion Pict. Pts. Co.	30 Dec. 1908
32	251	Edison Mfg. Co.	Motion Pict. Pts. Co.	31 Dec. 1908
33	254	The Vitagraph Co. of America	Motion Pict. Pts. Co.	30 Dec. 1908
58	341	Gaumont Co. of New York	Motion Pict. Pts. Co.	2 Mar. 1909

Motion Picture Patents Co. License Agreements to Manufacturers and Importers

20	105	Motion Pict. Pts. Co.	American Mutoscope & Bio. Co.	18 Dec. 1908
21	129	Motion Pict. Pts. Co.	Edison Mfg. Co.	18 Dec. 1908
22	152	Motion Pict. Pts. Co.	Edison Mfg. Co. and Essanay Film Mfg. Co.	18 Dec. 1908
23	179	Motion Pict. Pts. Co.	Edison Mfg. Co. and Kalem Co., Inc.	18 Dec. 1908
24	179	Motion Pict. Pts. Co.	Edison Mfg. Co. and Lubin Mfg. Co.	18 Dec. 1908
25	179	Motion Pict. Pts. Co.	Edison Mfg. Co. and Selig Polyscope Co.	18 Dec. 1908
26	179	Motion Pict. Pts. Co.	Edison Mfg. Co. and The Vitagraph Co. of America	18 Dec. 1908
27	180	Motion Pict. Pts. Co.	George Kleine	18 Dec. 1908
28	209	Motion Pict. Pts. Co.	Edison Mfg. Co. and Pathe Freres	18 Dec. 1908
62	395	Motion Pict. Pts. Co.	Gaston Melies	20 July 1909

Motion Pict. Pts. Co. License Agreement to Print Positives under No. 12,192

105	656	Motion Pict. Pts. Co.	Eberhard Schneider (Expired)	3 Feb. 1909
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Motion Pict. Pts. Co. Supplemental License Agreements to Mfrs. and Importers

45	291	Motion Pict. Pts. Co.	American Mutoscope & Bio. Co.	26 Jan. 1909
46	296	Motion Pict. Pts. Co.	Edison Mfg. Co.	26 Jan. 1909
47	297	Motion Pict. Pts. Co.	Edison Mfg. Co. and Essanay Film Mfg. Co.	26 Jan. 1909
48	303	Motion Pict. Pts. Co.	Edison Mfg. Co. and Kalem Co., Inc.	26 Jan. 1909
49	303	Motion Pict. Pts. Co.	Edison Mfg. Co. and Lubin Mfg. Co.	26 Jan. 1909
50	303	Motion Pict. Pts. Co.	Edison Mfg. Co. and Selig Polyscope Co.	26 Jan. 1909
51	303	Motion Pict. Pts. Co.	Edison Mfg. Co. and The Vitagraph Co. of America	26 Jan. 1909
52	304	Motion Pict. Pts. Co.	George Kleine	26 Jan. 1909
53	309	Motion Pict. Pts. Co.	Edison Mfg. Co. and Pathe Freres	26 Jan. 1909
63	422	Motion Pict. Pts. Co.	Gaston Melies	21 July 1909

Motion Picture Patents Co. License Agreements (Exhibiting Machines)

No.	Page			
35	279	Motion Pict. Pts. Co.	Armat Moving Picture Co.	7 Jan. 1909
36	290	Motion Pict. Pts. Co.	Edengraph Mfg. Co.	7 Jan. 1909
37	290	Motion Pict. Pts. Co.	Edison Mfg. Co.	7 Jan. 1909
38	290	Motion Pict. Pts. Co.	Enterprise Optical Co.	7 Jan. 1909
39	290	Motion Pict. Pts. Co.	Lubin Mfg. Co.	7 Jan. 1909
40	290	Motion Pict. Pts. Co.	Nicholas Power (a corporation)	7 Jan. 1909
41	290	Motion Pict. Pts. Co.	Eberhard Schneider (expired)	7 Jan. 1909
42	290	Motion Pict. Pts. Co.	Selig Polyscope Co.	7 Jan. 1909
43	290	Motion Pict. Pts. Co.	Spoor & Co.	7 Jan. 1909
44	290	Motion Pict. Pts. Co.	The Vitagraph Co. of America	7 Jan. 1909
54	315	Motion Pict. Pts. Co.	American Mov. Pict. Mach. Co.	13 Feb. 1909
56	337	Motion Pict. Pts. Co.	Gaumont Co. of New York	2 Mar. 1909
59	344	Motion Pict. Pts. Co.	American Mutoscope & Bio. Co.	20 April 1909
99	613	Motion Pict. Pts. Co.	Precision Machine Co., Inc.	20 June 1909

Motion Pict. Pts. Co. New License Agreements to Manufacturers and Importers

89	462	Motion Pict. Pts. Co.	Biograph Co.	6 June 1912
90	486	Motion Pict. Pts. Co.	Edison Mfg. Co.	6 June 1912
91	508	Motion Pict. Pts. Co.	Thos. A. Edison, Inc. and Essanay Film Mfg. Co.	6 June 1912
92	534	Motion Pict. Pts. Co.	Kalem Co., Inc.	6 June 1912
93	534	Motion Pict. Pts. Co.	Lubin Mfg. Co.	6 June 1912
94	534	Motion Pict. Pts. Co.	Selig Polyscope Co.	6 June 1912
95	534	Motion Pict. Pts. Co.	The Vitagraph Co. of America	6 June 1912
96	535	Motion Pict. Pts. Co.	George Kleine	6 June 1912
97	560	Motion Pict. Pts. Co.	Gaston Melies	6 June 1912
98	585	Motion Pict. Pts. Co.	Pathe Freres	6 June 1912
55	316	Motion Pict. Pts. Co.	Gaumont Co. of New York	2 Mar. 1909
104	629	Motion Pict. Pts. Co.	George Kleine	1 Feb. 1913
106	662	Motion Pict. Pts. Co.	Gaston Melies	26 Feb. 1913

Rental Exchange Agreements

29	239	Motion Pict. Pts. Co.	Rental Exchange Agreements	18 Dec. 1908
88	461	Motion Pict. Pts. Co.	Exchange Bulletin No. 33	13 Sept. 1911
100	624	Motion Pict. Pts. Co.	Exchange Bulletin No. 36	27 Aug. 1912
101	625	Motion Pict. Pts. Co.	Exchange Bulletin No. 37	15 Oct. 1912

General Film Co.

64	424	Motion Pict. Pts. Co. License Agreement as a Rental Exchange	April 1910
65	425	Motion Picture Patents Company Limited License Agreement as a Manufacturer and Importer	21 April 1910

Agreements of General Film Co. with Motion Pict. Pts. Co. Licensees

66	436	Edison Mfg. Co.	General Film Co.	21 April 1910
67	443	Biograph Co.	General Film Co.	21 April 1910
68	443	Essanay Film Mfg. Co.	General Film Co.	21 April 1910
69	443	Kalem Co., Inc.	General Film Co.	21 April 1910
70	443	Lubin Mfg. Co.	General Film Co.	21 April 1910
71	443	Selig Polyscope Co.	General Film Co.	21 April 1910
72	443	The Vitagraph Co. of America	General Film Co.	21 April 1910
73	443	George Kleine	General Film Co.	21 April 1910
74	443	Gaston Melies	General Film Co.	21 April 1910
75	443	Pathe Freres	General Film Co.	21 April 1910

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